



TERMS OF REFERENCE OF THE RISK MANAGEMENT COMMITTEE

Purpose

The purpose of the Risk Management Committee is to establish a strategic and systematic approach to risk management that is extended across the organisation, ensuring that the approach is pro-active. The Committee is also responsible for the overall co-ordination of risk management activity and ensuring that the necessary processes are in place.

Membership

The committee shall comprise at least three members and the members of the committee shall be appointed by the Board on the recommendation of the Audit Committee.

The Board shall appoint the committee chairman and in the absence of the committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

Authority

The committee is authorised:

- to seek any information it requires from any employee of the company in order to perform its duties;
- to obtain, at the company's expense, outside legal or other professional advice on any matter within its terms of reference;
- to have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.

Duties

- Advise the Audit Committee on the company's overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment;
- Make recommendations to the Audit Committee on priority risk areas and the appropriate action required;
- Monitor and ensure the risk management policy is implemented effectively;
- Ensure that adequate organisational systems are in place for implementing, monitoring and reviewing assurances on controls;
- Oversee identification and implementation of the risk management action plan and risk registers; and
- To be informed of any serious untoward incidents and ensure that follow up actions plans are developed, implemented and monitored

Reporting Arrangements

The Risk Management Committee receives summary reports from respective risk owners on their review of risks and the progress on updating of their risk register.

The Risk Management Committee reports to the Audit Committee.



富佳木業有限公司

FOCUS LUMBER BERHAD (188710-V)

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Secretary

The company secretary or his or her nominee shall act as the secretary of the committee.

Quorum

The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee.

Frequency of meetings

The committee shall meet at least two times a year at appropriate times and otherwise as required.

Notice of meetings

Meetings of the committee shall be called by the secretary of the committee at the request of any of its members.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the committee.

Minutes of meetings

The secretary shall minute the proceedings of all meetings of the committee, including recording the names of those present and in attendance.

Draft minutes of committee meetings shall be circulated promptly to all members of the committee. Once approved, minutes should be circulated to the Audit Committee.

*****THE END*****

(Approved by Board on 11 April 2013)