

# **BOARD CHARTER**

## **TERMS OF REFERENCE OF THE RISK MANAGEMENT COMMITTEE**

## 1. CONSTITUTION

The Risk Management Committee was established on 17 April 2012.

## 2. OBJECTIVE

The principal objective of the Risk Management Committee (the “**Committee**”) is to assist the Board of Directors in their responsibilities to identify, assess and monitor key business risks to pre-empt and/or mitigate adverse impacts on achieving strategic objectives with a view to safeguard shareholders’ investments and the Company’s assets.

## 3. COMPOSITION

The members of the Committee shall comprise at least three (3) Board members appointed by the Board. The Chairman of the Committee is elected by the Chairman of the Board, and shall chair all meetings, if present. In the absence of the Chairman, the Committee shall appoint one of their number to chair the meeting (not being the Chairman of the Audit Committee). At the discretion of the Chairman, the Committee may:

- (i) Invite a non-member of the Board (a member of senior management of the Company, i.e. the Chief Financial Officer, who is directly responsible and accountable for the financial risk management activities of the Company) to sit on the Committee; and
- (ii) Require other persons (including without limitation any executives or advisers of the Company) to attend all or part of any meeting.

## 4. QUORUM AND MEETINGS

Meetings shall be held not less than twice a year. Unless otherwise agreed, notice of every meeting, confirming the venue, date and time together with an agenda of items and supporting papers to be discussed shall be forwarded to each Committee member and all persons required to attend no later than 3 working days prior to the date of the meeting.

The quorum shall be two (2) members of the Committee.

## 5. TASK / RESPONSIBILITIES / AUTHORITY

- (i) investigate any activity within its scope of responsibilities, which covers the Company and its subsidiaries (the “**Group**”);
- (ii) seek any information that it requires from any Director, officer and employee of the Group and all such individuals are directed to cooperate with any requests made by the Committee;

- (iii) obtain external legal or independent professional advice, with relevant experience and expertise as it considers necessary, at the Company's expense; and
- (iv) give direction/guidance to Management and/or responsible parties as to the implementation on the risk management framework/system and the approach that is to be taken.

## **6. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Committee shall be:

- (i) to identify risks relevant to the Group's internal and external environments with respect to its business operations and strategic objectives, and recommend to the Board the Group's policy for risk management;
- (ii) to review the processes and procedures for ensuring that all material business risks are properly identified and that the appropriate systems of monitoring and control are in place, while considering all material breaches of the agreed risk limits, if any, and review the actions taken in response;
- (iii) to monitor and review the Group's internal controls and risk management systems, and make recommendations where necessary – to ensure that the systems are relevant, up-to-date and effective, which will take into account any changes to the Group's business environment, operations and business strategies/objectives; and
- (iv) to evaluate the effects on the risks (if any) of the Group as a result of the findings of the internal auditor and/or any independent review carried out for the Audit Committee.

## **7. REPORTING**

- (i) The Chairman or a member of the Committee appointed by the Chairman, shall report all material issues arising during the Board meeting.
- (ii) The Committee shall annually (or on an ad-hoc basis) review its terms of reference and its own effectiveness, and recommend any necessary changes to the Board.
- (iii) The Risk Committee shall make recommendations to the Board if and when necessary, and shall be responsible for reviewing and agreeing all relevant sections in the Company's Annual Report and Accounts concerning risks and risk management

## **8. ELECTED MEMBERS**

For information on the current members of the Risk Management Committee, please refer to the *Corporate Information* section, under “**Investor Relations**” on the Company's corporate website at: <http://www.connectcounty.com/>