

TERMS OF REFERENCE OF BOARD RISK COMMITTEE

1.0 Constitution

- 1.1 The Board Risk Committee ("BRC") was formed by the Board of Directors pursuant to its meeting held on 25 February 2019.

2.0 Objective

- 2.1 To provide more focus on risk management by identifying, analyzing, evaluating and monitoring principal risks to safeguard shareholders' investment.
- 2.2 The duties and responsibilities of the BRC members are in addition to those as members of the Board. The deliberations of the BRC do not reduce and absolve the individual and collective responsibilities of the Board members in regard to their fiduciary duties and responsibilities. The member must continue to exercise due care and judgment in accordance with their statutory obligations.

3.0 Composition and Membership of the BRC

- 3.1 PCG Board may upon recommendation of the Nomination and Remuneration Committee (NRC), appoint any of its members and their Alternates as members of the BRC.
- 3.2 The BRC must be composed of no fewer than three (3) members including the Chairperson and the majority shall be Independent Non-Executive Directors (INED) at least one (1) of whom shall preferably have relevant industrial knowledge.
- 3.3 The Chairperson shall be an INED as recommended by the NRC provided always that the Chairperson of Board Audit Committee (BAC) shall not be the Chairperson of BRC.
- 3.4 Members of the BRC may relinquish their membership in the BRC by giving a prior written notice to the BRC Chairperson and the Chairperson of the NRC with a copy to the Company Secretary. The NRC will review and recommend, to the Board for approval, another Director to fill up such vacancy within three (3) months of the notice.
- 3.5 All members of the BRC, including the Chairperson, will hold office only so long they serve as Directors (or Alternate Directors) of the Company.
- 3.6 Members of the BRC shall possess sound judgment, objectivity, independent attitude, management experience, professionalism, integrity and knowledge of the industry.

4.0 Role of the BRC

- 4.1 The BRC will not assume the functions of Management, which remain the responsibility of the Executive Directors, officers and other members of the Senior Management. The role of the BRC is to assist the Board in ensuring that the Company has in place sound and robust risk management framework and such framework has been effectively implemented to enhance the Company's ability to achieve its strategic objectives.

5.0 Duties and Responsibilities of the BRC

5.1 The BRC shall perform all the functions as is necessary to fulfill its role as aforesaid and include the following:

- a. Oversee the development and review of a policy for risk management to recommend for approval to the Board.
- b. Oversee the development and review of risk plan for risk management.
- c. Review, deliberate, report and provide recommendation to PCG Board concerning principal risks monitoring, ensure proper mitigation is in place and risk scanning is performed to increase the possibility of anticipating unpredictable risks.
- d. Make recommendations to the Board concerning the risk appetite and levels of tolerance and monitoring that risks are managed within the levels of tolerance as approved by the Board.
- e. To assist Board to deliberate risk assessment for high impact business matters including but not limited to:
 - i. Merger & acquisition, divestment and joint-venture proposals in local and overseas
 - ii. Funding-related decisions e.g. borrowings and equity decisions (financing)
 - iii. Commercial transactions with cross jurisdiction, high complexity and foreign exchange exposures
 - iv. Country-related decisions including setting up of new legal entities or representative offices (entry or exit management)
 - v. Compliance to regulations in areas where PCG operates
 - vi. Key capital projects
 - vii. New business venture
- f. Oversee the effectiveness of Crisis Management, Business Continuity Management and Assurance.
- g. Ensure that management considers and implements appropriate risk responses.
- h. Liaise closely with the BAC to exchange information relevant to risk.
- i. Express the BRC's formal opinion to the Board on the effectiveness of the system and process of risk management.
- j. Review reporting concerning risk management that is to be included in the integrated report for it being timely, comprehensive and relevant.
- k. Provide report to the Board with reasonable details of its activities on each proceeding of meeting.

6.0 Position Descriptions and Roles of BRC Chairperson and BRC Members

6.1 The following are the main roles of the BRC Chairperson. These are not exhaustive and serve merely as guideline:

- a. Assists the BRC fulfill the goals it sets by assigning specific tasks to members of the BRC and identifies guidelines for the conduct of the members and ensure that each member is making a significant contribution.
- b. Looks to the Secretary for guidance to the BRC on what their responsibilities are under the rules and regulations to which they are subject to and how those responsibilities should be discharged.
- c. Provides leadership to the BRC and ensures proper flow of information to the BRC, reviewing adequacy and timing of documentation.
- d. Secures good corporate governance and ensures that members look beyond their BRC function and accept their full share of responsibilities of governance materials in support of management's proposal.
- e. Manages the processes and working of the BRC and for ensuring that the BRC discharges their responsibilities.
- f. Ensures that every BRC resolution is put to a vote to ensure that it is the will of the majority that prevails. However where possible, a consensus would be preferred.
- g. Should engage on a continuous basis with the Senior Management members, such as the MD/CEO, the CFO and relevant key principal officers as well as the external auditors in order to be kept informed of matters affecting the Company.

6.2 Each BRC member is expected to:

- a. Provide individual independent opinions to the fact-finding, analysis and decision making process of the BRC, based on their experience and knowledge.
- b. Consider viewpoints from the other BRC members, make decisions and recommendation for the best interest of the Board collectively.
- c. Keep abreast of the latest corporate governance guidelines in relation to the BRC and the Board as a whole.
- d. Continuously seek out Best Practice in terms of the processes utilised by the BRC, following which these should be discussed with the rest of the BRC for possible adoption.

7.0 Rights and Powers of the BRC

7.1 The BRC in performing its duties shall:

- a. Have the authority to investigate any matter within its term of reference.
- b. Have resources which are required to perform its duties.
- c. Have full and unrestricted access to any information pertaining to the Company.

- d. Obtain advice from independent professionals or those with relevant experience and invite them (if necessary) to attend the BRC meetings to brief the BRC on specific matters.
- e. Report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities, including such recommendations and findings for the Board's approval and information, as applicable.
- f. Provide assurance to the Board and to the BAC if so delegated by the Board on the management and mitigation of specific risks and the scope and quality of risk management processes.
- g. Make recommendations to the Board that it deems appropriate on any area within the ambit of its terms of reference where action or improvement is required.

8.0 BRC Secretary and its Functions

- 8.1 The BRC Secretary shall be the Company Secretary (CoSec) and in his or her absence, any executive from CoSec may attend the meeting on his or her behalf. The Secretariat to the BRC shall be the CoSec.
- 8.2 CoSec will provide logistic, administration and support to ensure the smooth running of the meetings and proceedings.
- 8.3 Set the date and venue of the meeting in consultation with the Chairperson.
- 8.4 Compile and distribution of meeting materials.
- 8.5 Vet documents to be submitted to the BRC and determining the appropriateness of these documents for discussion at the meeting. In case of ambiguity, the Chairperson is to be consulted.
- 8.6 Ascertain at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 8.7 Proper recording of the meeting proceedings and distributing draft minutes to members.
- 8.8 Prepare and submit a report of BRC deliberations and recommendations to the Board for information and endorsement as appropriate.
- 8.9 Follow-up actions for feedback submission to BRC.

9.0 Structure of BRC Meetings

- 9.1 The BRC shall meet at least four (4) times in a year preceding Board meetings where relevant or such additional meetings as decided by the Chairperson.

- 9.2 For effective deliberation and decision-making, the agenda for discussion at the BRC meetings will be in the following order:

Agenda 1	Consent Agenda: - Disclosure of Interests - Confirmation of Minutes and Matters Arising thereof
Agenda 2	Corporate Risk Profile Monitoring Updates
Agenda 3	Risk Appetite Monitoring Updates
Agenda 4	Risk Assessment and Opportunities of Business Matters
Agenda 5	Statement of Risk and Internal Control (specific on risk)
Agenda 6	Any Other Business

- 9.3 The MD/CEO, CFO and Head of RMD shall attend meetings based on invitation.
- 9.4 Other Directors and employees may attend any particular meeting only at the BRC's invitation, specific to the relevant meeting.

10.0 Quorum of BRC Meetings

- 10.1 A quorum shall be two (2) members at least one (1) being Independent Director.
- 10.2 A member may participate in the meeting by means of telephone conferencing, video conferencing or any communication equipment and he or she shall be deemed to be present in person and counted in a quorum of the meeting.

11.0 BRC Circular Resolution

- 11.1 In the event a meeting could not be convened, approval may be sought by way of a Circular Resolution (CR) in writing to all BRC members. The CR shall be as valid and effectual as if it had been passed by a meeting of BRC duly convened. The CR must be signed or approved unanimously by all members.
- 11.2 Any such CR may consist of several documents in like form each signed by one or more BRC members, taking the form of documents in writing, or by other written electronic communication and shall be as valid and effectual as if it been passed by the BRC meeting duly called and constituted.

12.0 Meeting Materials

- 12.1 Meeting Materials are to be approved by MD/CEO prior to their tabling at the meeting.
- 12.2 CoSec will determine the appropriateness and category of papers for approval, discussion or information of BRC and to consult the BRC Chairman on the same.
- 12.3 Approved meeting materials are to be submitted to CoSec at the established deadline for purposes of preparing the Agenda.
- 12.4 CoSec shall issue notice of each meeting confirming the venue, time and date to BRC members at sufficient time before the date of the meeting.
- 12.5 CoSec shall distribute the approved meeting materials together with an agenda of items to be discussed to BRC members at established deadline before the date of meeting.

- 12.6 Draft minutes are to be distributed to the BRC members within seven (7) days of the meeting.

13.0 Confidentiality

- 13.1 All papers, resolutions, minutes and deliberations of the BRC are strictly and highly confidential. CoSec may prepare extract of Minutes to facilitate response on action items where necessary.

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