



Risk Management Committee Terms of reference

The Risk Management Committee (“RMC”) is governed by the following terms of reference:

1. Membership

The RMC shall be appointed by the Board from amongst the Directors and shall consist of at least three (3) members. Majority of the Committee members must be Independent Non-Executive Directors.

All the Committee members should be financially literate with at least one (1) committee who is a member of the Malaysian Institute of Accountants or alternatively a person who must have at least seven (7) years’ experience and function of being primarily responsible for the management of the financial and non-financial affairs of a corporation.

The Committee shall elect a Chairman from among its members who is an Independent Non-Executive Director.

In the event that a member or the Chairman of the Committee resigns, dies or for any other reason ceases to be a member or Chairman with the result that the number of members is reduced below three (3) or there is no Chairman in the Committee, the Board of Directors shall, within three (3) months of that event, appoint such number of new members or Chairman.

The term of office and performance of the Committee and each of its members shall be reviewed by the Board annually.

2. Objectives

The primary objectives of the RMCs are to:

- i) Provide assistance to the Board in fulfilling its fiduciary responsibilities, particularly in the areas relating to the Group’s accounting and management controls, financial reporting, risk management and business ethics policies.
- ii) Provide greater emphasis on the audit function by serving as the focal point for communication between Board, the external auditors, internal auditors and the management and providing a forum for discussion that is independent of the management. It is to be the Board’s principal agent in assuring the independence of the Group’s external auditors, the integrity of the management and the adequacy of disclosures to shareholders.
- iii) Undertake such additional duties as may be appropriate and necessary to assist the Board.



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3. Authority

The Committee is authorised by the Board to have the necessary resources and to obtain outside legal or other independent professional advice it considers necessary and reasonable for the performance of its duties.

4. Duties and Responsibilities

The primary objectives of the RMC will need to undertake the following duties and responsibilities as summarised below:

- i) To review with management on a periodic basis, the Group's general policies, procedures and controls especially in relation to business risk management.
- ii) Assessing the risks and control environment; to determine whether management has implemented policies ensuring the Group's risks are identified and evaluated and those internal controls in place are adequate and effective to address the risks.
- iii) To undertake such other responsibilities as may be agreed to by the Committee and the Board.
- iv) To understand the principal risks of the Group, set the risk appetite within which Management is expected to operate and ensure there is an appropriate risk management framework to identify, analyse, manage and monitor significant financial and non-financial risk.

5. Conduct of Meetings

Number of Meetings

The Committee shall meet at least twice (2) a year. The Chairman shall also convene a meeting of the Committee if requested to do so by any member or the management to consider any matter within the scope and responsibilities of the Committee.

Quorum

A quorum shall consist of a majority of Independent Non-Executive Directors and shall not be less than two (2).

6. Secretary to the Committee and Minutes

The Company Secretary shall be the secretary of the Committee and as a reporting procedure, the minutes shall be circulated to all members of the Board.

Approved and adopted by the Risk Management Committee on: 28 February 2019