



TERMS OF REFERENCE - RISK MANAGEMENT COMMITTEE

1. Purpose

The primary purpose of the Risk Management Committee ("RMC" or "the Committee") is to assist the Board of Directors ("the Board") in fulfilling its corporate governance and oversight responsibilities in relation to the Group's risk management frameworks, internal control systems, and strategic risk strategies.

The RMC is a committee of the Board and reports directly to it.

2. Composition and Membership

- **Size:** The Committee shall consist of no fewer than three (3) members.
- **Eligibility:** The majority of the Committee members, including the Chairperson, must be **Independent Non-Executive Directors**.
- **Restrictions:** To preserve objective oversight and avoid structural conflicts of interest, the **Chairperson of the Audit Committee shall not be appointed as the Chairperson of the RMC**.
- **Secretary:** The Company Secretary (or a designated deputy) shall act as the Secretary of the Committee.

3. Meetings and Quorum

- **Frequency:** The Committee shall meet at least **two (2) times a year**, or more frequently as operational circumstances require.
- **Quorum:** The quorum for any meeting shall be **two (2) members**, provided that the majority of members present are Independent Directors.
- **Ad-hoc Attendance:** The Executive Directors, accounts department heads or manager, operational department heads, or risk management officers may be invited to attend meetings as and when required.
- **Minutes:** Minutes of all meetings shall be formally recorded, kept by the Company Secretary, and circulated to all members of the Board at subsequent Board meetings.

4. Core Duties and Responsibilities

4.1 Risk Governance & Framework

- **ERM Framework:** Review, evaluate, and recommend the Group's **Enterprise Risk Management (ERM) framework**, policies, and risk management strategies to the Board for approval.
- **Risk Appetite:** Review and recommend the Group's **Risk Appetite Statement** and risk tolerance thresholds across all core operating units.
- **Infrastructure Assessment:** Ensure that adequate infrastructure, resources, and systems are in place to execute the approved risk management policies effectively.

4.2 Risk Identification & Mitigation

- **Continuous Monitoring:** Review and evaluate the Group's risk register, risk heat maps, and management updates regarding significant strategic, operational, financial, compliance, and cybersecurity threats.
- **Action Plans:** Review and monitor management's action plans and mitigation strategies designed to address identified critical risk profiles.
- **Emerging Risks:** Assess newly emerging macroeconomic, geopolitical, and industrial technological risks that could disrupt the Group's long-term business continuity.

4.3 Reporting and Financial Reporting Inputs

- **Board Escalations:** Report formally to the Board after each Committee meeting on the status of current risks, material control deficiencies, and recommended rectifications.
- **SORMIC Oversight:** Review, validate, and recommend the **Statement on Risk Management and Internal Control (SORMIC)** for inclusion in the Company's Annual Report.
- **AC Collaboration:** Maintain an active line of cross-communication with the Audit Committee (AC) to ensure that the internal audit scope effectively captures and reviews identified high-risk areas.

5. Authority

The Board authorises the Committee, within the scope of its duties, to:

- Investigate any activity or matter within these Terms of Reference.
- Request full, unrestricted access to any information, record, or employee of the Group.
- Obtain independent professional legal, financial, or other technical advice at the Company's expense, subject to approval thresholds, to perform its functions.

6. Review of the Terms of Reference

The Committee shall review these Terms of Reference periodically (at least once every two years) to ensure its continuous relevance against shifting **Bursa Malaysia Listing Requirements** and corporate environments. Any proposed modifications must be submitted to the Main Board for final approval.
