

## **Risk Management Committee**

### **MEMBERSHIP**

Chairman: Hia Cheng  
(Non-Independent Executive Director)

Members: Tan Ah Lai  
(Independent Non-Executive Director)  
Ang Nyee Nyee  
(Independent Non-Executive Director)

### **TERMS OF REFERENCE**

#### **Objectives**

The Risk Management Committee is established as a committee of the Guan Chong Berhad Board of Directors (“the Board”). The objectives of the Risk Management Committee are:-

- To monitor the Group’s key business risks and oversee the risk management activities conducted by the Group Enterprise Risk Management (ERM) Committee; and
- To ensure adequate infrastructure, resources and systems are in place for risk management and internal controls to safeguard shareholders’ interest and the Group’s assets.

#### **Composition**

The Risk Management Committee shall be appointed by the Board amongst its members and composed of no fewer than three (3) members, majority of whom must be Independent Directors. No alternate director shall be appointed as a member of the Risk Management Committee.

The appointment of a Risk Management Committee member shall automatically be terminated in case of dismissal or resignation from his/her membership of the Board. Members of the Risk Management Committee may relinquish their membership in the Committee with prior written notice to the Board.

In the event that a member of the Risk Management Committee vacates office resulting in the total number of members being reduced to below three (3), the Board shall, within three (3) months of the event, appoint a new member to make up the minimum number of three (3).

## **Meetings**

The Risk Management Committee will meet at least once a quarter or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

Notice of the meeting, agenda and relevant supporting information shall be distributed to the Committee members and those who are required to attend the meeting at least five (5) business days prior to the scheduled meeting.

The Chairman shall be responsible for calling meetings, establishing agenda of the meetings and supervising the conduct thereof. The Chairman may appoint a secretary responsible for keeping the minutes of the meetings and circulating them to the members of the Risk Management Committee and other members of the Board after the meeting. The Chairman shall report the findings and recommendations to the Board on any matters that need to be brought to the Board's attention and approval during the Board meeting.

A quorum for a meeting shall be two (2) members with the majority of members present being Independent Directors. In the absence of the Chairman, the members present shall elect an alternate Chairman amongst themselves to chair the meeting. Each member must attend at least 50% of the meetings held within the year, failing which his/her membership will be reconsidered.

The Board must prepare a Risk Management Committee Report at the end of the financial year in the Annual Report of the company which summarises the Risk Management Committee's activities during the year and related significant findings noted.

## **Authority**

The Risk Management Committee is authorised to:-

- Investigate any activity of the Group within its Terms of Reference and all employees shall be directed to cooperate with any request made by the Risk Management Committee;
- Instruct the Group ERM committee to perform duties as necessary to support the Committee in discharging its duties;
- Have unrestricted access to any information pertaining to the Group in order to perform its duties; and
- Obtain independent professional advice as necessary.

## **Duties and Responsibilities**

The duties and responsibilities of the Risk Management Committee shall be as follows:-

- Provide guidance for the direction of the Group ERM committee;
- Review and recommend the Group's risk management framework for the Board's approval;
- Monitor the implementation of the risk management framework and activities conducted by the Group ERM committee;
- Review and advise on the Group's risk appetite and risk tolerance;
- Review the adequacy of the Group's overall risk assessment procedures to ensure all material risks are identified;
- Review material risks and evaluate the adequacy and effectiveness of risk action plans, vis-à-vis the risk appetite and risk profile of the Group;
- Review the Group's risk profile on a regular basis and ensure that all material risks outside of the Group's tolerable ranges are being addressed in risk action plans in a timely manner;
- Report to the Board regarding the Group's risk exposures;
- Review the adequacy of infrastructure and resources for the Group's risk management; and
- Review the Risk Management Committee Report in the company's Annual Report to ensure that all relevant information as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is disclosed.

## **Frequency of Review**

The Risk Management Committee shall assess, review and update the Terms of Reference periodically. The Risk Management Committee may recommend amendments for the Board's approval when there are changes to the regulatory requirements or changes to the direction or strategies of the Group that may affect the Risk Management Committee's role.