

MTAG GROUP BERHAD (1262041-V)
(“MTAG” or “Company”)

RISK MANAGEMENT COMMITTEE
TERMS OF REFERENCE

I. PURPOSE

The Board of Directors of the Company (“Board”) has responsibility for risk oversight and risk management within the Group. The Board established a Risk Management Committee (“RMC”) and RMC shall lead the strategic direction in the management of the business risks, including oversight on the establishment and implementation of a risk management framework and reviewing the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management.

The objectives of the framework are to ensure the provision of quality product and services and monitor the risk culture and processes throughout the Group to take advantage of opportunities while managing risks that may adversely affect the reputation and achievement of business objectives.

The duties and responsibilities as stated in the terms of reference of the Risk management committee include the following:

- (i) To oversee and recommend the risk management policies and procedures;
- (ii) To review and recommend changes as needed to ensure that the Group has in place at all times a risk management policy which addresses the strategic, operational, financial and compliance risks;
- (iii) To implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the business risks;
- (iv) To set reporting guidelines for management to report to the committee on the effectiveness of management of its business risks;
- (v) To review the risk profile of the Group including all subsidiaries and to evaluate the measures taken to mitigate the business risks; and
- (vi) To review the adequacy of management response to issues identified in risk registers, ensuring that the risks are managed within the Group’s risk appetite.

II. COMPOSITION

1. The Committee shall consist of at least three (3) members all of whom shall be appointed by the Board amongst its Directors. The Committee shall comprise of a majority of Independent Non-Executive Directors.

2. The Chairman of the Committee shall be appointed by the Board amongst the Committee members and shall be an Independent Director.
3. All members of the Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company. Should any member of the Committee cease to be a Director of the Company, his membership in the Committee will cease forthwith.
4. In the event the number of the Committee's members is reduced to below three (3) due to whatsoever reason, the Board must fill the vacancy within three (3) months from the date of occurrence of event.

III. MEETINGS

1. The RMC shall meet at least once a year or as and when circumstances dictate.
2. The Company Secretary or other persons appointed by the Board (if any) shall be the Secretary of the Committee.
3. Two (2) members present at a meeting shall form a quorum.
4. The Chairman of the RMC shall chair the Committee's meetings. If he is not present at any meeting within fifteen (15) minutes of the time appointed for holding the same, the members of the RMC present shall choose one of their number to be the chairman of the meeting.
5. The minutes of the RMC meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.
6. A resolution in writing, signed by all members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.

VI. REVIEW OF COMMITTEE

1. The Board, based on the RMC's recommendation, must review the term of office and performance of RMC and each of its members at least once a year to determine whether RMC and its members have carried out their duties in accordance with the Terms of Reference, and thereafter, make recommendations to the Board for consideration.
2. The RMC shall review its Terms of Reference periodically and may recommend to the Board any changes it considers necessary.

Approved and adopted on 24 October 2018