

ANCOM NYLEX BERHAD [Registration No.: 196901000122 (8440-M)] (Incorporated in Malaysia)	Date of Statement :	10/08/2023
	Last reviewed and approved by the Risk Management Committee :	26/04/2023
	Approved by the Board of Directors :	26/04/2023

TERMS OF REFERENCE OF THE RISK MANAGEMENT COMMITTEE

COMPOSITION

The RISK Management Committee (“Committee”) shall be appointed by the Board of Directors of the Company (“Board”) from amongst its members. It shall comprise at least three (3) members, the majority of whom are Independent Non-Executive Directors as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”). No Alternate Director can be appointed as a member of the Committee.

The Chairman of the Committee shall be elected from amongst the members of the Committee who must be an Independent Non-Executive Director ensuring the overall effectiveness and independence of the Committee.

In the event of any vacancy in the Committee or the office of Chairman of the Committee resulting in less than three (3) members, the Board shall, within three (3) months of that event fill the vacancy. All members of the Committee, including the Chairman, shall hold office until otherwise determined by the Board.

SECRETARY

One of the Company Secretaries shall be the Secretary of the Committee. The Secretary, in consultation with the Chairman of the Committee, will be responsible for determining the agenda for each Committee meeting. The Secretary will also be responsible for keeping proper records, including the minutes and resolutions of the Committee.

GENERAL MEETINGS

The Chairman of the Committee shall attend the general meetings of the Company to provide explanations or responses to questions relating to the Committee's activities.

DUTIES AND RESPONSIBILITIES

The Risk Management Committee members shall have a mixture of expertise and experience, including having a sufficient understanding of the industries in which the ANB Group operates in order to anticipate, assess, challenge, deliberate, advise and manage risk management of the Group's key risk areas. In order to fulfil its responsibilities to the Board, the Committee shall:

- i. review and recommend the overall risk management strategies, policies and procedures and risk appetite framework of the Company and its key subsidiaries (“Group”);
- ii. review and assess the adequacy of risk management policies and frameworks and recommend changes as needed to ensure that the Group has in place at all times an effective Risk Management framework;
- iii. implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the Group's business, operational, financial and compliance risks and assesses the mitigating actions put in place to manage these risks; and
- iv. review the adequacy of infrastructure, resources and systems for the Group's Risk Management framework.

In discharging the functions as stated above, the Committee shall have, at the cost of the Company:

- i. explicit authority to investigate any matter within its Terms of Reference;
- ii. all the resources that are required to perform its duties;
- iii. full and unrestricted access to any information pertaining to the Group;
- iv. direct communication channels with the senior management of the Group, and the ability to convene meetings at its discretion with either or both of the above, without the attendance of other Directors, the management or employees of the Group; and

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Terms of Reference of the Risk Management Committee

- v. the authority to obtain independent professional or other advice and to secure the attendance of any persons with relevant experience and expertise if considers necessary.

MEETINGS

The Committee shall meet at least once a year. Additional meetings can be called by the Board of Directors or upon the request of the Chairman or any member of the Committee.

The quorum for a Committee meeting shall be two (2) members, both of whom must be Independent Non-Executive Directors. The meeting agenda shall be sent to all Committee members and any other persons required to attend the meeting at least seven (7) days in advance unless such requirement is waived by the Committee members.

Each Committee member shall have one vote. Decisions of the Committee will be made by a majority vote. In the case of an equality of votes, the Chairman, or if he is absent, the Chairman of the meeting elected from amongst the Committee members attending the meeting, shall have a second and casting vote. However, at meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairman will not have the second or casting vote.

The Chief Financial Officer (“CFO”) and the Head of the Risk Management Working Group shall attend the Committee meetings. Other senior management teams may attend the meeting upon the invitation of the Committee. The Committee may obtain external professional advice and assistance to enable it to discharge its duties as it considers appropriate.

REPORTING RESPONSIBILITIES

The Committee Chairman shall report formally to the Board on the proceedings of each meeting and all matters within the Committee’s duties and responsibilities. The Committee shall make whatever recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is needed.

MINUTES AND RESOLUTION

The Secretary shall minute the proceedings and resolutions of all Committee meetings. The minutes of a Committee meeting after being affirmed at the subsequent Committee meeting and signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting, shall be deemed a correct recording of the proceedings.

The minutes shall be kept by the Secretary and shall be open for inspection by any Committee members or the Board members.

A resolution in writing signed or approved via any electronic means by a majority of the 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.

REVISION

The Terms of Reference shall be reviewed as and when required and updated in accordance with the needs of the Company and any new regulations. Any revision or amendments to the Terms of Reference shall be presented to the Board for approval.