



**AWANBIRU
TECHNOLOGY BERHAD**
[Reg. No. 201001038336 (922260-K)]
(Incorporated in Malaysia)

**TERMS OF REFERENCE OF
RISK MANAGEMENT
COMMITTEE**

Updated as at 30 August 2023

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1. OBJECTIVES

The objectives of the Risk Management Committee ("**RMC**") is to review and recommend the risk management policies and strategies for AwanBiru Technology Berhad ("**Awantec**" or the "**Company**") and its subsidiaries (the "**Group**"). It assists the Board of Directors (the "**Board**") to fulfil its corporate governance, risk management, and statutory responsibilities in order to manage the overall risk exposure.

2. COMPOSITION AND APPOINTMENT

- 2.1 The RMC shall be appointed by the Board on recommendation of the Nomination and Remuneration Committee ("**NRC**") from amongst the Board members.
- 2.2 The RMC shall consist of not less than three (3) members, of which the majority of them have to be Independent Non-Executive Directors.
- 2.3 The Chairman or Chairperson of the RMC shall be the Independent Non-Executive Director or Senior Independent Non-Executive Director of the Company.
- 2.4 The members of the RMC shall elect a Chairman or Chairperson from amongst their number.
- 2.5 No alternate Director shall be appointed as a member of the RMC.
- 2.6 In the event there are vacancies in the RMC that causes non-compliance of the items 2.1, 2.2, 2.3 and 2.4 above, the vacancies must be filled within three (3) months of the event.
- 2.7 The Board must review the term of office and performance of the RMC and each of its members at least once every three (3) years to determine whether the RMC members have carried out their responsibilities and duties in accordance with the terms of reference.

3. RESPONSIBILITIES AND DUTIES

The responsibilities and duties of the RMC shall include, but are not limited to the following:-

3.1 Risk Management

- 3.1.1 To review periodically and recommend to the Board the Group's Risk, Risk Management Framework, Business Continuity Management, policies and strategies of the Group.
- 3.1.2 Oversee the risk management matters of the Group, which include identifying, managing, monitoring, treating, and mitigating significant risks across the Group.

- 3.1.3 Review, monitor, and assess the risk appetite and risk tolerance for the Group.
- 3.1.4 Review and deliberate the reports on significant risk findings and recommendations.
- 3.1.5 Review, monitor, and assess the effectiveness of the Group's implementation of risk treatment/mitigation action plan(s) for the management and control of the key risks, including cyber risk and resilience as well as sustainability and climate-related risks.
- 3.1.6 Review existing internal controls that may reduce the key risk factors of the Group.
- 3.1.7 Ensure adequate infrastructure, resources and systems are in place for an effective risk management i.e., ensuring that the staff responsible for implementing risk management systems perform those duties independently of the insurer's risk activities.
- 3.1.8 Aggregate the Group's risk position and report to the Board on the Group's risk position / status twice yearly.

3.2 Business Continuity Management ("BCM")

- 3.2.1 Policies and objectives are established for the business continuity management purposes and are compatible with the strategic direction of the organisation.
- 3.2.2 The integration of Business Continuity Management System ("BCMS") requirements into Awantec's business processes.
- 3.2.3 The resources needed for the BCMS are available.
- 3.2.4 The importance of effective BCMS and conforming to the BCMS requirements are communicated.
- 3.2.5 The BCMS achieves its intended outcome(s).
- 3.2.6 Persons contributing to the effectiveness of the BCMS are supported and directed.
- 3.2.7 Continual improvement is promoted.

4. AUTHORITY OF THE RISK MANAGEMENT COMMITTEE

- 4.1 The RMC with the authorisation by the Board shall, whenever necessary, and reasonable to perform its responsibilities and duties, in accordance with a procedure to be determined by the Board and at the cost of the Company to perform the following: -
 - 4.1.1. Have the authority to investigate and review any matter or activity within its Terms of Reference.

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- 4.1.2. Have the resources or seek any information it may require from any Member of Management which are required to perform its duties.
 - 4.1.3. Have full and unrestricted access to any information pertaining to the Company and the Management, and all employees of the Group are required to comply with the requests made by the RMC.
 - 4.1.4. Be able to obtain external professional advice and secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary. In the event that any member of the RMC shall need to seek external professional advice in furtherance of his duties, they shall first consult with and obtain the prior approval from the Chairman of the RMC.
 - 4.1.5. To investigate any matter referred to it or that it has come across in respect of a transaction that raises questions of management integrity, possible conflicts of interest, or abuse by a significant or controlling shareholder.
 - 4.1.6. Shall have direct communication channels and be able to convene meetings whenever deemed necessary.
 - 4.1.7. Provide its recommendations to the Board for its consideration and approval.

5. MEETINGS

5.1. Frequency

- 5.1.1. The RMC shall meet at least twice annually and at such additional meetings to be convened as and when necessary, as the Chairman or Chairperson of the RMC shall decide, in order to fulfil its duties.
- 5.1.2. By invitation of the RMC, the Company shall ensure that relevant Management, employees and/or external party can attend the meetings where their attendance is required in relation to a specific meeting.

5.2. Quorum

- 5.2.1. The meeting shall have a quorum of two (2) members and the members present shall be Independent Directors.
- 5.2.2. In the absence of the Chairman or Chairperson of the RMC, the members present shall elect a Chairman or Chairperson from amongst them to chair the meeting.

5.3. Secretary

- 5.3.1 The Company Secretary or other appropriate senior official shall act as Secretary of the RMC and shall be responsible, in conjunction with the Chairman or Chairperson of the RMC, for drawing up the agenda and

circulating it, supported by explanatory documentation to the members prior to each meeting.

5.4. Meeting Minutes

- 5.4.1. The Company Secretary shall be responsible for keeping the minutes of meetings of the RMC, including the names of those present and in attendance and circulating them to RMC members and to other members of the Board.
- 5.4.2. Minutes shall be distributed to RMC members and shall be approved by the Chairman or Chairperson of the meeting at which the proceedings are held or by the Chairman or Chairperson of the next succeeding meeting.
- 5.4.3. Relevant members of Management shall be provided with the minutes and Matters Arising for follow up on key actions required.

5.5. Meeting Mode

- 5.5.1. All or any meetings of the RMC shall by default be held physically to enable effective and efficient discussion, however in certain circumstances, a meeting may be conducted by teleconference or videoconference or other appropriate means as determined by the RMC.
- 5.5.2. A person so participating is deemed to be present in person at the meeting and shall be counted in quorum accordingly.

5.6 Voting

- 5.6.1 All resolutions of the RMC shall be adopted by a simple majority vote, each member having one (1) vote.
- 5.6.2 An RMC member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation. The nature and extent of conflict of interest must be recorded in the minutes.

5.7 Decisions by Circular Resolutions

- 5.7.1. A resolution in writing signed either digitally or by hand or approved by letter, or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting.
- 5.7.2. All such resolutions shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book.

- 5.7.3. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

5.8. Notice and Agenda

- 5.8.1. Meetings of the RMC shall be called by the Company Secretary at the request of the RMC Chairman or Chairperson.
- 5.8.2. Unless otherwise agreed, reasonable notice of each meeting confirming the venue, time, and date together with an agenda of items to be discussed, shall be forwarded at least five (5) working days prior to the meeting held to each member of the RMC and any other person required to attend.
- 5.8.3. The RMC meeting agendas shall be the responsibility of the Chairman or Chairperson with input of the other members and where necessary, the agenda shall include input from other persons deemed appropriate to participate in this process and assisted by the Company Secretary.
- 5.8.4. Supporting papers shall be sent to the RMC members and other attendees as appropriate, at the same time of the above item 5.8.2.
- 5.8.5. The notice of each meeting shall be served to the member either personally or by fax or e-mail or by post by courier to his/her registered address as appearing in the Register of Directors or to the address provided by the RMC member, as the case may be.

5.9. Attendance of General Meeting

- 5.9.1 The RMC Chairman or Chairperson (or in his/her absence, member of the RMC nominated by the Chairman or Chairperson) shall attend the general meetings to answer any shareholder questions on the Committee's activities.

6. REVIEW OF THE TERMS OF REFERENCE

The Terms of Reference shall be reviewed periodically by the RMC in accordance with the needs of the Company, from time to time or when changes to regulatory requirements necessitate a revision, but at least once every three (3) years; any recommendation for its revision will be highlighted to the Board for approval.

Adopted by the Management: 28 May 2012
Updated and adopted by the Board on: 22 June 2022
Updated and adopted by the Board on: 23 February 2023
Updated and adopted by the Board on: 30 August 2023