



**RISK MANAGEMENT COMMITTEE**  
**TERMS OF REFERENCE**

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## **1.0 Purpose**

The Risk Management Committee (“RMC”) is established by the Board of Directors (“the Board”) of Kwantas Corporation Berhad (“Kwantas” or “the Company”) for the purpose of overseeing the risk management process of Kwantas and its group of companies (“the Group”) in ensuring its adequacy and effectiveness. The Board has the overall responsibility for risk oversight and ensures that the Management seeks commitment to maintain a sound risk management framework and internal control system within the Group.

## **2.0 Composition**

- 2.1. The RMC shall be appointed by the Board from among its members and shall consist of not less than three (3) members, all of whom shall be Non-Executive Directors, with a majority of them being Independent Directors.
- 2.2. The Chairman of RMC shall be appointed by the Board and shall be an Independent Non-Executive Director.
- 2.3. If a member retires or resigns from his position in the Board, that member shall cease to be a member of the RMC.
- 2.4. RMC members may relinquish their membership in RMC with prior written notice to the Company Secretary. In the event of any vacancies arising in the RMC resulting in the number of RMC members reduced below three (3), the Board shall within three (3) months to make up the minimum number of three (3) members.
- 2.5. The Company Secretary shall be the Secretary of the RMC.



### **3.0 Authority**

The RMC is authorised by the Board and at the expense of the Group to perform the following:-

- (a) Secure the resources in order to perform its duties as set out in its terms of reference;
- (b) Have direct communication channels with and unrestricted access to Senior Management including without limitation, its information, records, reports, properties and personnel;
- (c) Instruct Risk Management Unit to perform duties as necessary to support the RMC in discharging its functions and duties. The Head of Risk Management is accountable to the RMC and shall have direct access to the Chairman of the RMC, if necessary; and
- (d) Be able to obtain external legal or other independent professional advice it considers necessary and reasonable for the performance of its duties.

### **4.0 Duties and Responsibilities**

In fulfilling its primary objectives, the RMC shall undertake the following duties and responsibilities:-

- (a) Establish and periodically review the Group risk management guidelines and policies and ensure implementation of the objectives outlined in the policies and compliance with them;
- (b) Recommend for the Board's approval the Group's risk management framework, policies, strategies, key risk indicators and risk tolerance levels, and any proposed changes thereto;



- (c) Review and evaluate the operating effectiveness of the Group's risk management, processes and support system to identify, assess, monitor and manage the Group's key risks;
- (d) Engage Management in an ongoing risk appetite dialogue as conditions and circumstances change and new opportunities arise;
- (e) Review the Group's risk profiles and evaluate the measures taken to mitigate the business risk; and
- (f) Review the statement on risk management and internal control in the Group's annual report to ensure that relevant information as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is disclosed. Disclosure in the annual report should include a discussion on how key risk areas such as finance, operations, regulatory compliance, reputation, cyber security and sustainability were evaluated and the controls in place for the Group to mitigate and manage those risks.

## **5.0 Meetings**

- 5.1. The RMC shall meet at least two (2) times a year. Additional meetings shall be called as and when deemed necessary by the Chairman of the RMC.
- 5.2. The Head of Risk Management shall attend all RMC meetings held. Other Board members or Senior Management may attend the meeting by invitation of the RMC.
- 5.3. Notice of each RMC meeting confirming the venue, time and date together with an agenda of items to be discussed, shall other than under exceptional circumstances, be circulated to each RMC members and all other invitees at least seven (7) days before the intended date of meeting.
- 5.4. The presence of two (2) RMC members shall form a quorum.



- 5.5. RMC meeting shall normally be conducted face-to-face to enable effective discussions. Such meeting may also be conducted via telephone conferencing, video conferencing or other appropriate electronic means as determined by the RMC, and the members shall be deemed to be present in person and be counted in a quorum accordingly.
- 5.6. Minutes of each RMC meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next meeting. Minutes shall be distributed to each RMC members and also to other invitees of the meeting for follow-up actions.
- 5.7. A circular resolution in writing signed by a majority of the members of the RMC shall be valid and effectual as if it had been passed at a meeting of the RMC. The expressions “in writing” shall include confirmed transmission by email, facsimile or other forms of electronic communications. Any such resolution may consist of several documents in like form, each signs by one (1) or more members.

## **6.0 Review of the Terms of Reference**

- 6.1 The RMC shall recommend any changes to its terms of reference in such manner as the RMC deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code on Corporate Governance, Main Market Listing Requirements or any other regulatory requirements. It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the RMC’s role.