

# MATRIX CONCEPTS HOLDINGS BERHAD

(414615-U)

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## TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE (“RMC”)

### **1. MEMBERSHIP**

- 1.1 The RMC shall comprise at least three (3) members from the members of the Board. Membership shall include the Chairman of the Audit Committee. A majority of members shall be Independent Non-Executive Directors.
- 1.2 Appointments to the RMC shall be for a period of three (3) years, which may be extended for further periods provided the Directors still meet the criteria for membership of the RMC.
- 1.3 The Chairman of the RMC shall be a Non-Executive Director.
- 1.4 The RMC may at its so discretion, invite any individual to attend all or part of any meeting as and when appropriate and necessary.

### **2. SECRETARY**

- 2.1 The Company Secretary of the Company shall be the secretary of RMC.

### **3. QUORUM**

- 3.1 The minimum quorum necessary for the transaction of business shall be two (2) members. A duly convened meeting of the RMC at which a quorum is present shall be competent or exercise all or any of the authorities, powers and discretions vested in or exercisable by the RMC.

### **4. FREQUENCY OF MEETINGS**

- 4.1 RMC shall meet at least twice a year at appropriate times and otherwise as required.

### **5. DUTIES**

- 5.1 RMC should carry out the duties below for the parent company and its subsidiaries or the Group as a whole, on an independent basis free from management or other restrictions.

5.2 Overall, the duties of RMC is to identify, assess, monitor and manage risk including to oversee, report and make recommendations to the Board in respect of any risks exposure faced by the Group.

5.3 The duties of RMC are as set out below:-

5.3.1 Advise the Board on the Company's overall risk appetite, tolerance and strategy, taking into account of the current and prospective macroeconomic and financial environment.

5.3.2 Review the Company's capability to identify and manage new risk types.

5.3.3 Review reports on any material breaches of risk limits and the adequacy of proposed action.

5.3.4 Keep under review the effectiveness of the Company's internal financial controls, internal controls and risk management systems; and review and approve the statements to be included in the Annual Report concerning internal controls and risk management.

5.3.5 Consider and approve the limits of risk management function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.

5.3.6 Review promptly all reports on the Company from the risk officer.

5.3.7 Review and monitor management's responsiveness to the findings and recommendations of the risk officer.

5.3.8 Provide advice to the Board on risk strategies and coordinate the activities of the business operation for risk oversight.

5.3.9 Recommend to the Board on the appointment / removal of risk officer.

## **6. REPORTING RESPONSIBILITIES**

6.1 RMC shall report to the Board on its proceedings on all matters within its duties and responsibilities.

6.2 RMC shall make whatever recommendations to the Board it deems appropriate on any area within its limit where action or improvement is needed.

6.3 RMC shall produce a report of its activities and the Company's risk management and strategy to be included in the Company's Annual Report. The Annual Report to 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 to mitigate or manage those risks. In addition,

its disclosure shall also state whether the risk management framework adopted by the Company is based on an internationally recognized risk management framework.

- 6.4 RMC shall also disclose in the Company's Annual Report whether an annual review and periodic testing of the Company's internal control and risk management framework has been conducted and any changes made to the internal control and risk management framework arising from the review.