

ANCOM NYLEX BERHAD [Registration No.: 196901000122 (8440-M)] (Incorporated in Malaysia)	Date of Revised Statement :	11/07/2024
	Last reviewed and approved by the Risk Management Committee :	18/07/2024
	Approved by the Board of Directors :	13/09/2024

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 Committee will appoint a member, who must be an Independent Non-Executive Director, as the Chairman of the Committee (“Chairman”) to ensure the overall effectiveness and independence of the Committee.

In the event of any vacancy in the Committee resulting in the Committee having less than three (3) members, the Board shall, within three (3) months of that event fill the vacancy. All members of the Committee shall hold office until otherwise determined by the Board. If a member ceases to be a Director of the Board, that member ceases to be a member of the Committee.

SECRETARY

One of the Company Secretaries shall be the Secretary of the Committee. The Secretary, in consultation with the Chairman, 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 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 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 of the Group’s key risk areas. In order to fulfil its responsibilities to the Board, the Committee shall:

- i. develop, review and recommend to the Board the overall risk management strategies, policies and procedures and risk appetite framework of the Company and its key subsidiaries (“Group”) and ensure that the policies and procedures are communicated and adhered to throughout the Group;
- ii. implement and maintain a sound risk management framework which identifies, assesses, manages/mitigates and monitors the Group’s business, operational, financial, compliance and Environmental, Social and Governance (“ESG”) risks as well as bribery and corruption risks faced by the Group and assess the effectiveness of the mitigating actions put in place to manage these risks;
- iii. oversee the integration of ESG risks management into the overall risk management framework;
- iv. 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;
- v. promote a risk-aware culture within the Group and ensure on-going education and training on risk management for the Directors, Management and Employees of the Group; and

- vi. 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 Executive Vice Chairman ("EVC"), Managing Director/Group Chief Executive Officer, Chief Financial Officer and other Management of the Group, and the ability to convene meetings at its discretion with the Management and Employees of the Group, without the attendance of other Directors; and
- 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.

AUTHORITY

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

- vi. have explicit authority to investigate any matter within its Terms of Reference;
- vii. have all the resources that are required to perform its duties;
- viii. have full and unrestricted access to any information pertaining to the Group;
- ix. have the authority to invite any Directors, Management and Employees to attend its meetings, if necessary; and
- x. have the authority to seek input from other external legal or professional advisors on matters concerning risk management and invite such advisors to attend its meetings, if necessary.

MEETINGS

The Committee shall meet quarterly. Additional meetings can be called by the Board 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 at the meeting.

Decisions of the Committee will be made by a majority vote. Each Committee member shall have one 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.

The Chief Financial Officer and the Head of the Risk Management Working Group shall attend the Committee meetings. Other Management 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 Chairman shall report formally to the Board on the proceedings of each meeting and all matters within the Committee's duties and responsibilities. Minutes of the Committee meetings shall also be presented to the Board for notation. 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.

The Committee shall make a Risk Management Committee Report in the Company's Annual Report about the activities it carried out in discharging its duties as per its Terms of Reference during the financial year.

The Committee, together with the Audit Committee, shall make a Statement of Risk Management and Internal Control in the Company's Annual Report in accordance with Rule 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), and guided by the Malaysian Code on Corporate Governance (updated on 28 April 2021), as well as the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by Bursa Securities

MINUTES AND RESOLUTIONS

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 or 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 shall be updated in accordance with the needs of the Company and any new regulations. Any revision or amendments to the Terms of Reference shall be approved by the Board with a resolution.