



DATASONIC GROUP BERHAD
(Registration No. 200801008472 (809759-X))
(Incorporated in Malaysia)

TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE

As at 31 May 2022

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1. OBJECTIVE

The objective of the Risk Management Committee is to assist the Board of Directors (“Board”) of the Company in overseeing risk management framework and policies including matters relating to governance and integrity in order to manage the overall risk exposure of the Company and its subsidiary companies (“the Group”).

2. COMPOSITION

The Board shall elect the Risk Management Committee members from amongst themselves, comprising at least three (3) members, a majority of whom are independent.

The Chairman of the Risk Management Committee shall be elected from amongst the Committee members who shall be an Independent Non-Executive Director. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present. The Chairman of the Committee shall not be the Chairman of the Board.

3. SECRETARY

The Company Secretary of the Company shall be the secretary of the Risk Management Committee.

4. QUORUM AND VOTING

The quorum for all meetings of the Risk Management Committee shall not be less than two (2) members, and is considered to be competent for the exercise of its authorities, powers and discretions vested upon it.

All resolutions of the Risk Management Committee shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman of the meeting shall have a second or casting vote.

5. MEETINGS

The Risk Management Committee may meet together for the despatch of business, adjourn and otherwise regulate the meetings at least once a year or more frequent as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

A resolution in writing, signed by ALL the members of the Risk Management 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.

The Company Secretary shall on the requisition of the members of the Risk Management Committee summon a meeting of the Risk Management Committee and, except in the case of an emergency, reasonable notice of every Risk Management Committee meeting shall be given in writing.

6. AUTHORITY

The Risk Management Committee in accordance with the procedures or processes to be determined by the Board of Directors shall have access to resources and information as deemed appropriate for the discharge of its responsibilities to the Company, including obtaining independent professional advice at the expense of the Company and periodic review of its terms of reference against its performance.

7. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Risk Management Committee are as follows:-

- 7.1 To establish the Group's risk management framework based on an internationally recognised risk management framework and meeting the minimum requirements by the regulators, if any;
- 7.2 To oversee and recommend appropriate risk management and internal control policies and procedures of the Group and seek assure that the systems are functioning effectively;
- 7.3 To review and determine the Group's level of risk tolerance and actively identify, assess and monitor the Group's key business risks to safeguard shareholders' investment and the Group's assets;
- 7.4 To review and recommend the necessary changes to ensure that the Group has the controls in place at all times to mitigate or manage the key risk areas such as finance, operations, regulatory compliance, reputation and cyber security;
- 7.5 To oversee the Group's various risks including sustainability and climate-related risks.

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- 7.6 To review the risk management reports and the adequacy and effectiveness of risk management and internal control within the Group;
- 7.7 To review and deliberate the Group's investment policies and strategies for the Board's approval. This includes reviewing significant investment and new business proposals to identify its key associated risks, including funding options and costs, and investment returns prior to the Board's approval; and
- 7.8 To consider other matters as referred to the Risk Management Committee by the Board.