



TUNE PROTECT GROUP BERHAD

REGISTRATION NO.: 201101020320 (948454-K)

TERMS OF REFERENCE FOR RISK MANAGEMENT COMMITTEE

As at 24 May 2024

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1. APPLICABLE LAWS/GUIDELINES

Including but not limited to:-

- (a) Financial Services Act 2013;
- (b) Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad ("**MMLR**");
- (c) Capital Markets and Services Act 2007;
- (d) Companies Act 2016 ("**CA**");
- (e) Malaysian Anti-Corruption Commission Act 2009;
- (f) Malaysian Code on Corporate Governance issued by the Securities Commission in 2021 ("**MCCG**");
- (g) Corporate Governance Policy Document issued by Bank Negara Malaysia ("**BNM**") ("**CGP**");
- (h) Risk Governance Policy Document issued by BNM;
- (i) Climate Risk Management and Scenario Analysis Policy Document issued by BNM; and
- (j) the provisions of the Constitution of Tune Protect Group Berhad ("**TPG**" or "**the Company**").

2. OBJECTIVES

The Risk Management Committee ("**RMC**" or "**the Committee**") is to support the Board of Directors ("**Board**") in meeting the expectations on risk management as set out by BNM, MCCG, MMLR and oversee the Management's activities in managing risks in credit, market, liquidity, operational, legal, technology, compliance, sustainability, climate-related and other risks and to ensure that the risk management process is in place and functioning effectively for TPG and its Group of Companies.

3. AUTHORITY

- (i) The RMC shall have full and unrestricted access to:-
 - (a) full company records, properties and documents relevant to its activities;
 - (b) the Risk Management Division;
 - (c) both the Internal and External Auditors; and
 - (d) all personnel of the Company.
- (ii) The RMC shall also be empowered, if deemed necessary to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise it considers necessary.

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4. COMPOSITION OF MEMBERS

- (i) The RMC shall consist of not fewer than three (3) Non-Executive Directors, the majority of whom should be independent. No Executive Director shall be appointed as a member of RMC. *MCCG-Practice 10.3
BNM CGP-12.3(a)&(b)
BNM CGP-12.5*
- (ii) Members to the RMC shall be appointed by the Board based on recommendation by the Nomination Committee.
- (iii) The Board shall periodically review the term of office of the RMC members. The timing of the review is at the discretion of the Board. Notwithstanding this, the appointment automatically terminates when a member ceases to be a Director.
- (iv) If a member of the RMC resigns, dies or for any reason ceases to be a member resulting in the number of members being reduced to below three (3), the Board shall fill the vacancy within three (3) months.

5. THE CHAIRMAN

The members of the RMC shall elect a Chairman from among themselves with the proviso that the Chairman so elected must be an Independent Non-Executive Director and must not be the Chairman of the Board.

*BNM CGP-12.3(c)
BNM CGP-12.4*

If at any meeting the Chairman is not present within 15 minutes after the time appointed for holding the same, the members present may choose one (1) of their number to be the Chairman of the meeting.

*Article 143 of the
Constitution*

6. ROLES, RESPONSIBILITIES AND POWERS

The RMC's roles, responsibilities and powers include the following:-

- (i) reviewing and recommending risk management framework, strategies, policies and risk tolerance/appetite for the Board's approval;
- (ii) reviewing and assessing the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively;
- (iii) ensuring adequate infrastructure, resources and systems are in place for an effective risk management framework;
- (iv) reviewing the Risk Management Division's periodic reports on risk exposure, risk portfolio composition and the Sub-Committee's risk management activities as well as to discuss problems and reservations arising from the risk review, and any matter regarding the Risk Management Division;

- (v) ensuring that corruption risk assessment is conducted on an annual basis and in this regard have the responsibility to:-
 - (a) ensure that corruption risk is incorporated into the general risk register of the Company;
 - (b) receive and review risk assessment reports on bribery and/or corruption and ensure that appropriate mitigating actions are put in place to manage risk exposures;
 - (c) present corruption risk assessment matters to the Board; and
 - (d) consider conducting a comprehensive corruption risk assessment for the Company once every three (3) years.
- (vi) reviewing the policies and procedures on anti-corruption and whistle-blowing to assess their effectiveness once every two (2) years;
- (vii) approving the Risk Management Sub-Committee's terms of reference which defines the purpose, authority, scope and responsibility of the Chief Risk & Compliance Officer, the Risk Management Sub-Committee and risk management activities in the Company;
- (viii) reviewing and appraising the effectiveness of the Risk Management Sub-Committee;
- (ix) reviewing and approving the budgetary and training requirements of the Risk Management Division and Risk Management Sub-Committee;
- (x) reviewing the activities in managing principal risks such as credit, market, liquidity, legal, operational, compliance, technology, sustainability, climate-related risks and the risk management process as well as mitigating the risks of greenwashing;
- (xi) reviewing the reporting to the Board on measures taken to:-
 - (a) identify and examine principal risks faced by the Company; and
 - (b) implement appropriate systems and internal controls to manage these risks.
- (xii) reviewing the periodic reports on risk appetite, risk exposure, risk portfolio composition, stress testing and risk management activities;
- (xiii) reviewing the adequacy and effectiveness of management's internal controls and risk management process;
- (xiv) reviewing the implementation of risk management as set out in BNM's policy document on Risk Governance, Approaches to Regulating and Supervising Financial Group and Corporate Governance;
- (xv) reviewing the effectiveness of the reporting structure for the overall business activities and risk management functions and the implementation of the appropriate system to manage various types of risks undertaken by the Company;
- (xvi) reviewing and recommending to the Board on any new outsourcing proposals and approve renewal of the outsourcing services including the appointment and/or renewal of the outsourcing service provider;

- (xvii) reviewing and if necessary, recommend to the Board the Company's Business Continuity Management plan and framework for dealing with various extreme internal/external events and disaster;
- (xviii) assisting the implementation of a sound remuneration system, examine whether incentives provided by the remuneration system take into consideration risks, capital, liquidity and the likelihood and timing of earnings, without prejudice to the tasks of the Remuneration Committee;
- (xix) providing support to the Board on effective oversight as regards to the comprehensive implementation of Fair Treatment of Financial Consumers in the business and operations of the Company;
- (xx) discussing and recommending regular and timely updates on the material information regarding climate-related risks and opportunities inclusive of credible and high-quality climate-related disclosures to the Board for approval; and
- (xxi) reviewing the effectiveness of the organisational structure and appropriately define the roles and responsibilities of key business and risk functions in supporting the strategies to build climate resilience and to manage climate-related risks. The RMC may delegate this to the appropriate management committee that consists of Senior Management to carry out this function as it may deem fit.

*BNM CGP-
Appendix 1(5)*

The above responsibilities are in addition to any other functions, duties and responsibilities not only limited to TPG, but also includes its Group of Companies, as may be agreed to from time to time between the RMC and the Board.

7. MEETINGS AND MINUTES OF THE COMMITTEE

- (i) The RMC shall hold regular meetings and should be at a minimum once every quarter and such additional meetings as the Chairman shall decide in order to fulfil the RMC's duties.
- (ii) The quorum for the meetings shall be at least two (2) members where the majority of members present must be Independent Directors.
- (iii) Notwithstanding item 7(i) above, upon the request of any member of the Board, the Committee, the Chief Risk & Compliance Officer, the Internal or External Auditors or the regulatory authorities, the Chairman shall convene a meeting of the Committee to consider the matters to be brought to its attention.
- (iv) The RMC may invite any person and/or employee of the Company whom the Committee thinks fit and proper to attend its meeting to assist in its deliberations of matters raised.
- (v) The Company Secretary shall act as Secretary of the Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings to the Committee prior to each meeting.

- (vi) In addition to the availability of detailed minutes of the RMC meetings, the Committee at the Board meetings, will report a summary of significant matters and resolutions.
- (vii) Proposals and matters tabled for deliberations and decisions at the meeting of the RMC shall be decided by a simple majority of votes of the members present.
- (viii) The Company Secretary shall be entrusted to record all proceedings of all meetings of the RMC and to circulate the minutes to the RMC members. The minutes of the meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting. The minutes of the RMC meeting, when approved by the RMC and signed by the Chairman, shall be circulated to the Board. The Secretary shall be responsible for keeping the minutes and to produce the minutes for inspection when necessary.

*Article 144 of the
Constitution*

8. RISK MANAGEMENT SUB-COMMITTEE

- (i) The Chairman shall appoint one (1) member of the Company's Senior Management staff to act as Chief Risk & Compliance Officer.
- (ii) This staff so appointed shall be responsible for implementing risk management systems and shall perform those duties independently of the Company's risk-taking activities.
- (iii) The RMC empowers the Chief Risk & Compliance Officer to co-opt any employee deemed suitable to form the Risk Management Sub-Committee.
- (iv) The Chief Risk & Compliance Officer shall have unrestricted access to the Committee members and provide periodic reports on risk exposure, risk portfolio composition and the Sub-Committee's risk management activities.
- (v) The Chief Risk & Compliance Officer shall have direct reporting powers and accountability to the RMC for all reports as specified under paragraph 6.

9. RESOLUTIONS BY CIRCULATION

A signed or an approved resolution in writing transmitted by facsimile, electronic mail or other form of electronic means by a simple majority of the Committee members entitled to receive notice of a meeting of the Committee, shall be valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

*Article 148 of the
Constitution*

All such resolutions shall be described as "Risk Management Committee's Written Resolutions" and may consist of several documents in the like form each signed by one (1) or more members. The signed resolution shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by the Secretary in the minutes book.

10. MEETING USING COMMUNICATION TECHNOLOGY

The RMC may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings as they think fit by means of any communication technology by which all persons participating in the meeting are able to hear, be heard and/or to participate, and in addition for the RMC members, to vote, without the need for the meeting participants to be physically present in the meeting, from more than one (1) venue within or outside Malaysia. The RMC member(s) participating in any such meeting shall be counted in the quorum for such meeting.

*Article 147 of the
Constitution*

11. REVIEW OF THE TERMS OF REFERENCE

The RMC shall review its terms of reference periodically and recommend any changes it considers fit or necessary.