



## **V.S. INDUSTRY BERHAD**

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### **TERMS OF REFERENCE OF RISK MANAGEMENT AND COMPLIANCE COMMITTEE**

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## Terms of Reference of Risk Management and Compliance Committee

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### 1.0 Objectives

The objective of the Risk Management and Compliance Committee (“RMCC”) is to assist the Board of Directors to fulfil its oversight roles with regards to Risk Management and Compliance.

### 2.0 Composition

The RMCC shall be appointed by the Board from among its members and shall consist of not less than three (3) members, all of whom are Independent Directors.

The Chairman of the RMCC shall be elected by the members of the committee.

### 3.0 Functions

The functions of RMCC are as follows:

- 3.1 To review and deliberate on the Group’s risks (whether financial and non-financial) including risks relating to non-compliance of laws, rules, regulations, policies, processes and procedures;
- 3.2 To review and recommend for the Board’s approval, the Group’s risk management and compliance framework, policies, strategies and risk tolerance levels, and any proposed changes thereto;
- 3.3 To review and assess the effectiveness and adequacy of the governing policies, framework and structure in place for managing risks and compliance;
- 3.4 To ensure adequate infrastructure, resources and systems are in place for effective risk and compliance management. This includes that the functions responsible for implementing risk and compliance management systems have full, free and unrestricted access to any information, records, properties and personnel within the Group;
- 3.5 To review the management’s periodic reports on risk and compliance management activities, exposure and mitigating / remedial actions;
- 3.6 To ensure that all governance instruments are reviewed and updated continuously to reflect changes in the operating environment;
- 3.7 To obtain external professional advice and assistance to enable it to discharge its duties as it considers appropriate;
- 3.8 To seek assurance on the effectiveness of Risk management and compliance functions from the internal and external auditors;

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- 3.9 To review and recommend the Statement of Risk management and internal control, for the approval by the Board; and
- 3.10 To review matters relating to the requirements of compliance to the Anti – corruption policy and review the measures put in place to prevent employees and / or associated persons from undertaking corrupt practices in relation to the Company or the Group’s business activities

### **4.0 Meetings**

- 4.1 The Committee shall meet at least two (2) times during each financial year, or more frequently as it may determine necessary, to carry out its responsibilities as set forth herein;
- 4.2 The quorum for a meeting of the RMCC shall consist of not less than two (2) members;
- 4.3 Other Senior management team may attend the meeting upon the invitation of the RMCC; and
- 4.4 The Company Secretary or other appropriate Senior Officer shall act as the secretary of the RMCC. The Secretary shall record, prepare and circulate the minutes of the meeting of the RMCC and ensure the minutes are properly kept and produced for inspection if required. The RMCC shall report to the Board and the minutes of each meeting shall be tabled to the Board for notation.