

KHIND HOLDINGS BERHAD
REGISTRATION NO: 199601007964 (380310 D)
(Incorporated in Malaysia)

TERMS OF REFERENCE OF THE RISK MANAGEMENT COMMITTEE ("RMC")

The RMC oversees all aspects of risk management and its initiatives, including strategic, financial, operational, reputational and compliance matters. The existence of the RMC does not relieve the Executive Director members of the Committee (if any) of their individual responsibility for internal controls and risk management, and the Board remains responsible at all times for reviewing the effectiveness of the same notwithstanding the delegation of authority for deliberation and responsibility of overseeing risk management to the RMC.

This Term of Reference formalises the establishment of the RMC and its roles in assisting the Board to oversee risk and risk management activities, and the inculcation of risk culture across the Group, comprising the Company and its subsidiaries.

A. COMPOSITION OF RMC

- (1) The RMC shall be appointed by the Board of Directors amongst their members, in consultation with the Nomination and Remuneration Committee and shall consist of not less than two (2) members, a majority being Independent Directors of the Company.
- (2) The members of the RMC shall elect a Chairman ("Chairman") amongst themselves who shall be an Independent Director.
- (3) In the event of any vacancy in the RMC resulting in the number of members being reduced to below 2, the Company shall fill the vacancy within three (3) months.
- (4) The Board shall have the discretion as it deems fit to rescind and/or revoke the appointment of any member(s) in the RMC.

B. DUTIES AND RESPONSIBILITIES OF THE RMC

The primary roles of the RMC shall include the following:-

- (1) Reviewing and assessing the effectiveness of the Group's risk management framework and internal controls system;
- (2) Reviewing and recommending the Group's overall risk appetite and tolerance to the Board for approval, taking into account current and prospective operational, regulatory and financial environment;
- (3) Reviewing and approving changes made to the Group's risk management framework and risk policies. The RMC will review and approve new risk policies while recommending to the Board any material policies which require the Board's approval;

- (4) Reviewing compliance with the Group's risk management framework and risk policies, including resultant actions in respect of policy breaches;
- (5) Reviewing and recommending the statement on risk management and internal control to the Board for approval;
- (6) Supporting the Board and Management in embedding and maintaining a supportive culture in relation to the management of risk;
- (7) Reviewing the risk rating report and risk management activities on a periodic basis, with reporting from Management;
- (8) Reviewing the adequacy of infrastructure, resources and systems for risk management; and
- (9) To carry out any other risk relating functions that may be directed by the Board from time to time.

C. MEETINGS

(1) Quorum

The quorum for the meeting of the RMC shall be two (2) members. If at any meeting, the Chairman is not present within fifteen (15) minutes of the time appointed for holding the same, the members of the RMC present shall choose one of their numbers to be Chairman of such meeting.

(2) Frequency of Meeting

At least two (2) meetings are held in a year. However, meetings are also held as and when required or upon the request of the Chairman.

(3) Notice and Venue

Unless in the case of emergency, the notice of the RMC meetings and meeting materials shall be circulated at least five (5) business days before each meeting to members of the RMC. The notice of every meeting shall be given in writing and the notice of each meeting shall be served to the member either personally or by fax or e-mail or by post or by courier to his/her address as appearing in the Register of Directors or to the address provided by the RMC member, as the case may be.

The RMC meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enable the RMC members as a whole to participate for the entire duration of the meeting.

The main venue of the RMC meeting shall be the place where the Chairman is present at the RMC meeting.

(4) Meetings

The Chairman shall report on each meeting to the Board. The Company Secretary or such substitute as appointed by the Board or RMC from time to time shall be the Secretary of the RMC.

Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote (except where 2 members form the quorum).

(5) Attendance at Meeting

Only members of the RMC have the right to attend RMC meetings. Members of Management and any advisers appointed by the RMC may attend any RMC meeting by invitation.

D. KEEPING AND INSPECTION OF MINUTES

The secretary(ies) shall minute the proceedings of all meetings of the RMC, including recording the names of those present and in attendance.

The Company shall cause minutes of all proceedings of the RMC Meeting to be entered in books kept for that purpose.

Those minutes to be signed by the Chairman of the RMC meeting at which the proceedings were had or by the Chairman of the next succeeding meeting shall be evidence of the proceedings to which it relates.

The books containing the minutes of proceedings of the RMC Meeting shall be kept at the Registered Office or any other place as may be determined by the Board and shall be open to the inspection of any members of the Board of Directors or RMC members.

E. Written Resolutions

A resolution in writing signed or approved via letter, telex, facsimile, email or any other electronic means by all RMC members shall be effective for all purposes as a resolution passed at a meeting of the RMC duly convened, held and constituted. Any such resolution may be contained in a single document or may consist of several documents all in the like form signed by one or more members.

F. Reporting

The Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

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

The Chairman of RMC shall attend the Annual General Meeting ("AGM") to answer questions raised by shareholders on the RMC's activities.

The RMC shall review its Terms of Reference periodically and may recommend to the Board any changes it considers necessary.

This Terms of Reference was approved by the Board on 22 February 2021.