



TERMS OF REFERENCE	HEXTAR GLOBAL BERHAD Registration No. 199001014551 (206220-U)			
	Document Title: TERMS OF REFERENCE OF THE RISK MANAGEMENT COMMITTEE			
Document No.:	HGB-TOR012-02	Revision: 2	Page No.: 1 of 5	Date: 21 Feb 2022

1. OBJECTIVE

- 1.1 The primary function of the Risk Management Committee (“the Committee”) formed by the Board of Directors (“Board”) of Hextar Global Berhad (“HGB” or “Company”) is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to the risk management of Hextar and its subsidiaries (collectively referred to as “Hextar Group”), amongst others:-
- (a) ensure that Hextar Group adopts a risk management framework which is based on internationally recognised risk management framework;
 - (b) oversees the Hextar Group’s risk management;
 - (c) oversees internal control framework and policies of Hextar Group; and
 - (d) ensure that proper process and procedures are in place to comply with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies.

2. MEMBERSHIP

- 2.1 The Risk Management Committee shall be appointed by the Board amongst its Directors and shall comprise at least three (3) members, majority of whom must be Independent Non-Executive Directors.
- 2.2 All members of the Committee should be financially literate and have sufficient understanding of the Company’s business and must be able to read, analyse, interpret and understand financial statements, and ask pertinent questions about the Company’s reporting process.
- 2.3 The term of office, the effectiveness and performance of the Committee and each of its members shall be reviewed by the Nominating Committee annually to determine whether the Committee and its members have carried out their duties in accordance with this terms of reference.

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2.4 Where the members of the Committee for any reason are reduced to less than three (3), the Board shall based on the recommendation of the Nominating Committee, within three (3) months from the occurrence of the event, to appoint such number of new members as may be required to make up the minimum number of three (3) members.

3. CHAIRMAN

In the absent of the Chairman of the Committee or if he is not present at any Committee meeting within fifteen (15) minutes of the time appointed for holding the same, the other members of the Committee shall amongst themselves elect a Chairman who must be an Independent Non-Executive Director to chair the meeting.

4. SECRETARY

4.1 The Company Secretary shall be the Secretary of the Committee.

4.2 The Company Secretary, in consultation with the Chairman of the Committee, shall draw up the agenda of the meeting. The agenda, together with the relevant support papers, shall be circulated at least five (5) business days or shorter notice where it is unavoidable, prior each meeting to the members of the Committee


5. QUORUM AND MEETING PROCEDURES

5.1 The Committee shall meet at least two (2) times each year. The Chairman may request for additional meetings as he considers necessary.

5.2 The Committee meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables all persons to participate for the entire duration of the meeting.

The technology to be used for the purpose of the meeting must be such that all persons taking part in the meeting must be able to communicate simultaneously with each of the other persons taking part in the meeting and may include telephone, television, video conferencing or any other audio and/or visual device which permits instantaneous communication.

5.3 A virtual meeting shall be deemed to constitute an Committee meeting provided the following conditions are met:-

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- (a) all the Committee members for the time being entitled to receive notice of the Committee meeting shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as may be permitted by the Constitution of the Company; and
- (b) a Committee member may not leave a virtual meeting by disconnecting from the technology used unless he/she has previously expressly notified the Chairman of the meeting of his/her intention to leave the meeting and a Committee member shall be conclusively presumed to have been present and have always formed part of the quorum during such a meeting until such notified time of his/her leaving the meeting.

5.4 The quorum for the meeting shall be two (2) members.

5.5 The Committee may, as and when deemed necessary, invite any Board members or any member of management or any employee of the Company, who the Committee thinks fit, to attend its meetings to assist and provide pertinent information as necessary.

5.6 A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes. In the event of an equality of votes, the Chairman has the casting vote.


5.7 A member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall abstain from deliberating and voting.

6. MINUTES

6.1 The Company shall cause minutes of all proceedings of the Committee meeting to be entered in books for that purpose. Minutes of each meeting shall be signed by the Chairman of the meeting at which proceedings were held or by the Chairman of the next succeeding meeting.

6.2 Minutes shall be kept by the Company at the Registered Office and shall be open for inspection by any Committee member or Board member.

6.3 The Minutes of each Committee meeting shall be distributed and tabled to the Board members for notation.

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7. CIRCULAR RESOLUTION

- 7.1 A resolution in writing signed by a majority of the Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.
- 7.2 The resolution may consist of several documents in like form, each signed by one (1) or more Committee members. Such document may be accepted as sufficiently signed by a Committee member if it is transmitted to the Company by facsimile or other electrical or digital written message, which include a signature of the said Committee member.


8. REPORTING

The Committee, through its Chairman, shall report a summary of significant matters to the Board at the next Board meeting after each Committee meeting. When presenting any recommendations to the Board for approval, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.

9. AUTHORITY

The Committee shall in accordance with a procedure to be determined by the Board and at the expense of the Company:-

- (a) have explicit authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to all information and documents which are required to perform its duties to the management of the Group; and
- (d) obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary.

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10. DUTIES AND RESPONSIBILITIES

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

- (e) Establish an adequate and effective Group's risk management and internal control framework;
- (a) Review and assess the Group's level of risk appetite and risk tolerance;
- (b) Review the risk management framework, policies and process, including identifying, managing, monitoring and mitigating the significant risks of the Group, and recommend for approval by the Board;
- (c) Review significant risks identified (including operational, financial, regulatory compliance, sustainability and reputational risks) and assess the mitigating actions put in place to manage these risks; and
- (d) Review the adequacy of resources for managing the risk management and internal control framework.

11. REVIEW OF THE WRITTEN TERM OF REFERENCE

Any amendments to this term of reference to be approved by the Board. These terms of reference will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Committee's responsibilities.

This Terms of Reference was adopted by the Board on 21 February 2022 and is made available on the Company's website, <https://www.hextarglobal.com/ir.php>.