



SINARAN ADVANCE GROUP BERHAD
[Registration No. 202001007513 (1363833-T)]
(Incorporated in Malaysia)

RISK MANAGEMENT COMMITTEE: TERMS OF REFERENCE

1. PURPOSE

The purpose of the establishment of the Risk Management Committee (“**RMC**” or “**Committee**”) is to assist the Board of Directors in their responsibilities in overseeing the risk management framework, policies and strategies of the Company. In addition, the Risk Management Committee shall assist the Board to fulfil its corporate governance, risk management, and statutory responsibilities in order to manage the overall risk exposure.

2. COMPOSITION AND SIZE

The Board of Directors shall elect the Risk Management Committee members from amongst themselves and the Senior Management of the Group, comprising no fewer than three (3) members, with at least one (1) is executive director.

If a member of the Risk Management Committee ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three (3) months of that event, appoint such number of new member(s) as may be required to make up the minimum number of three (3) members.

No alternate director of the Board shall be appointed as a member of the Risk Management Committee.

3. CHAIRMAN

The Chairman of the Risk Management Committee shall be elected from amongst the Risk Management Committee members. The Chairman of the Committee shall be approved by the Board of Directors.

4. SECRETARY

The Company Secretary shall be the Secretary of the RMC or in his absence, the Chairman of the Committee or chairman of the Meeting shall choose another person as the secretary of the Meeting.

5. MEETINGS

The Risk Management Committee may hold regular meetings for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequent as deemed necessary and should report to the Board of Directors. The Chairman may call for additional meetings at any time at the Chairman’s discretion.

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

In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the meeting.

A resolution in writing signed or approved by email, letter, telegram, telex, telefax or digital messaging services by all the Risk Committee Members and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a Meeting of the Risk Management Committee duly called and constituted. All such resolutions shall be described as "Risk Management Committee Members' Resolutions in Writing" and shall be forwarded or otherwise delivered to the Secretaries without delay, and shall be recorded by him in the Company's Minutes Book. Any such resolution may consist of several documents in like form, each signed by one (1) or more Risk Management Committee Members.

6. QUORUM

A quorum shall consist at least two (2) members.

7. AUTHORITY

The Risk Management Committee reports directly to the Board of Directors. The RMC also assists the Audit Committee to discharge the latter's function in respect of risk assessment, risk control and risk mitigation plans.

The Risk Management Committee is authorised by the Board of Directors to investigate any activity within its terms of reference. It has free access to all information and documents it requires for the purpose of discharging its functions and responsibilities.

The Risk Management Committee is also authorised to obtain legal or other independent professional advice as it considers necessary as well as to appoint Risk Management Sub-Committees.

8. DUTIES AND RESPONSIBILITIES

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

- (a) assisting the Board to effectively discharge its risk oversight responsibilities by monitoring and overseeing the Group's risk management and processes in identifying, evaluating, monitoring and managing significant risks within the Group.
- (b) reviewing risk profiles in respective business units and the Group.

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- (c) identifying and communicating to the Board periodically on the key risks faced by the Group and respective business units and major changes and the management action plans to manage the risks.
- (d) reviewing and assessing the adequacy and effectiveness of the systems of internal control and accounting control procedures and appropriate system in place to manage risks.
- (e) administrating and facilitating Group's Enterprise Risk Management ("ERM") activities and providing assurance on the effectiveness of ERM processes and comprehensiveness and reliability of ERM results.
- (f) assisting the Board to define responsibilities of various personnel in managing and reporting major risks.
- (g) providing guidance to the business units on the Group's and business unit's risk appetite.
- (h) ensuring proper risk management awareness and training to every level of the business and assisting the Board in embedding risk management into the organisation culture.

9. REVIEW OF TERMS OF REFERENCE

The Terms of Reference is to be regularly reviewed by the Board as and when required.

The Terms of Reference was reviewed and adopted by the Board of Directors on 27 November 2023.