



**TA WIN HOLDINGS
BERHAD**

REGISTRATION NO.: 199401005913 (291592-U)

**TERMS OF REFERENCE FOR
RISK MANAGEMENT COMMITTEE**

As at 26 June 2020

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REVISION HISTORY LOG

Version No.	Section	Details of Amendments	Date of Approval by the Board
V1	All	Document Published	26 June 2020

GLOSSARY

Term	Description
"RMC" or "Committee"	Risk Management Committee
"Board"	The Company's Board of Directors
"Bursa Malaysia"	Bursa Malaysia Securities Berhad
"Company" or "TaWin"	Ta Win Holdings Berhad
"MCCG"	Malaysian Code on Corporate Governance
"Secretary"	Company Secretary

1. APPLICABLE LAWS/ REGULATIONS/ GUIDELINES

Including but not limited to:-

- (a) Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- (b) Capital Markets and Services Act 2007 of Securities Commission;
- (c) Companies Act, 2016;
- (d) Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia; and
- (e) the provisions of the Constitution of Ta Win Holdings Berhad.

2. OBJECTIVES/ PRINCIPLES

RMC is to support and assist the Board of the Company in accessing, monitoring, identifying and controlling the risks in areas of that is applicable to the business and to oversee the management's activities in managing risks in credit, market, liquidity, operational, legal, and other risks and to ensure that the risk management process is in place and functioning effectively.

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.

3. COMPOSITION OF MEMBERS

- (a) The RMC shall consist of not less than three (3) members and comprises a majority of independent directors.
- (b) Members to the RMC shall be appointed by the Board. 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.
- (c) If a member of the RMC resigns, dies or for any reason ceases to be a director 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 members as may be required to make up the minimum of three (3) members.

MCCG-Practice 9.3

4. THE CHAIRMAN

The Chairman of RMC shall be an Independent Director and elected by the members of the RMC from amongst their number.

5. ROLES AND RESPONSIBILITIES

RMC reviews the risk management framework and processes to ensure that they remain relevant for use, and monitors the effectiveness of risk treatment or mitigation action plans for the management and control of the key risks. The Committee is accountable to the Board and is responsible to advise the Board on the adequacy and effectiveness of the risk management framework. The duties and responsibilities of the RMC are as follows:-

- (a) reviewing and monitoring TaWin Group's risk management framework and activities;
- (b) reviewing and recommending risk management strategies, policies and level of risk tolerance for the Board's approval;
- (c) 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;
- (d) ensuring adequate infrastructure, resources and systems are in place for an effective risk management;
- (e) reviewing management's the periodic reports on risk exposure, risk profile and risk mitigation activities to ensure adequacy and effectiveness;
- (f) reviewing the adequacy and effectiveness of management's internal controls and risk management process. *MCCG-Practice 9.2*
- (g) reviewing the effectiveness of the reporting structure for the overall business activities, action plans for the management, risk management functions and the implementation of the appropriate system to manage various types of risks undertaken by the Company;
- (h) promoting better governance culture and ethical behaviour within the TaWin Group by ensuring that structured policies and procedures on anti-corruption are in place, and place greater emphasis on corruption as part of annual risk assessment of the Group;
- (i) working with the Finance Officer/ Finance Manager and Internal Audit and contribute to the preparation of the Statement on Risk Management and Internal Control for inclusion in the Company's Annual Report, and to recommend the same for the approvals of the Committee and the Board.

The above responsibilities are in addition to any other functions as may be agreed to from time to time between the RMC and the Board.

6. MEETINGS AND MINUTES OF THE COMMITTEE

- (a) The RMC shall meet at least twice a year and such additional meetings as the Chairman shall decide in order to fulfil its duties.
- (b) The quorum for all RMC's meetings shall be at least two (2) members or 50% of the total members, whichever is higher.
- (c) 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 and resolutions of matters raised.
- (d) The Secretary or any person appointed by the RMC shall act as Secretary of the RMC and shall be responsible, for drawing up the agenda and other supporting explanatory documentation for circulation to the RMC prior to each meeting.

- (e) The Secretary shall on the requisition of the members of the RMC summon a meeting of the RMC except in the case of an emergency, reasonable notice of every RMC meeting shall be given in writing.
- (f) The minutes of the RMC meeting shall be tabled to the Board for notation.
- (g) Resolutions, proposals and matters tabled for approvals at the RMC meeting shall be decided by a simple majority of the members present. In the event of equality of votes, the Chairman of the Committee shall have a second or casting vote.
- (h) The Secretary of the RMC shall be entrusted to record all proceedings and minutes of all meetings of the Committee. The Secretary shall be responsible for taking the minutes of meeting, keeping the minutes and to produce the minutes for inspection when necessary.

7. RESOLUTIONS AND PROPOSALS BY CIRCULATION

The Committee is allowed to carry out its resolutions by way of circulation. A resolution in writing signed or approved by letter, electronic mail, telegram, telex or telexfax or other form of electronic communication by a simple majority of the Committee, shall be valid effectual as if it had been passed at a meeting of the Committee duly called and constituted.

All such resolutions shall be described as "Members' Written Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by the Secretary in the minutes book.

8. REPORTING STRUCTURE

The Chairman of the RMC will report formally to the Board on the key aspects of its proceedings after each meeting. The RMC shall not be delegated with decision making powers but shall report its recommendations to the Board for decision.