

**DAYANG ENTERPRISE HOLDINGS BHD**  
**RISK MANAGEMENT COMMITTEE (RMC) TERMS OF REFERENCE**

**1. OBJECTIVES**

The objectives of the Risk Management Committee (“RMC”) are:

- to establish the Group’s risk policies and risk management framework;
- to monitor the identification, evaluation, and monitoring of the Group’s risk profile;
- to oversee the implementation of the Group’s risk management framework, including reviewing Management’s activities and outcomes in relation to the risk management framework.
- to oversee mitigation strategies and action plans to manage risk associated with the Group’s activities;
- to recommend appropriate risk management policies and procedures for regular review;
- to ensure that the Group’s risk management framework and internal controls are appropriate and adequate for the long-term viability of the Group; and
- to ensure a proper balance between risks incurred and potential returns to shareholders.

**2. AUTHORITY**

The RMC shall have authority and access to all information, records and reports relevant to the Group’s risk management and internal control matters in order to perform its duties.

The Committee may invite any Director, Senior Management, risk owners and/or employees, as it deems appropriate, to attend meetings and assist in the discussion and consideration of matters relating to the principal and emerging risks faced by the Group.

**3. ROLE AND RESPONSIBILITIES**

The RMC shall assist the Board of Directors in discharging its responsibilities for risk management and internal control.

In this regard, the RMC shall oversee the implementation and ongoing effectiveness of the Group’s enterprise risk management framework to safeguard shareholders’ investments and the Group’s assets.

**4. ENTERPRISE RISK MANAGEMENT FRAMEWORK**

The RMC shall:

- oversee the implementation of a proper and appropriate risk management framework to manage the principal risks identified by Management;
- ensure that the Group’s risk management process is applied across all levels of activity, with accountability and mitigation at the source of risk;
- review and recommend for Board approval the Group’s risk management framework, policies and methodologies, as and when required.

## **5. RISK IDENTIFICATION, ASSESSMENT AND MONITORING**

The RMC shall:

- review the risk profiles established by the risk workgroups comprising Senior Managers from major operating units;
- oversee the identification, assessment, evaluation and prioritisation of risks, including strategic, operational, financial, information technology, human resources and compliance risks, as reflected in the Group's Risk Register;
- review the risk impact and likelihood matrix, including the Group's risk tolerance levels;
- monitor the adequacy and effectiveness of risk mitigation strategies and management action plans implemented by risk owners;
- receive periodic updates from Management on the status of risk mitigation measures and emerging risks.

## **6. ANTI-BRIBERY AND CORRUPTION (ABCC) RISK OVERSIGHT**

The RMC shall oversee anti-bribery and corruption (ABCC) risks as part of the Group's enterprise risk management framework.

In this regard, the RMC shall:

- review the assessment, rating and treatment of ABCC risks within the Risk Register;
- monitor trends and exposure relating to integrity and compliance risks;
- ensure that appropriate policies and controls, including the Anti-Corruption and Bribery Policy and Conflict of Interest Policy support ABCC risks.

The RMC's role shall focus on risk oversight and integration, while implementation, enforcement and investigations remain the responsibility of Management and relevant governance committees.

## **7. SUSTAINABILITY AND CLIMATE-RELATED RISKS**

The RMC shall oversee the integration of sustainability and climate-related risks into the Group's enterprise risk management framework.

This includes:

- identification and assessment of climate-related risks, including physical and transition risks;
- consideration of the potential financial, operational and strategic impacts of such risks on the Group;
- ensuring key or material sustainability and climate-related risks are managed via the Group's risk management process; and
- ensuring that sustainability and climate-related risks are appropriately reflected in the Group's Risk Register and Risk Matrix.

The RMC's oversight role shall complement, and not duplicate, the responsibilities of other Board committees responsible for sustainability governance and disclosures.

## **8. RELATIONSHIP WITH INTERNAL AUDIT AND AUDIT COMMITTEE**

The RMC shall maintain a clear and complementary relationship with the Audit Committee (“AC”) and the outsourced Internal Audit (“IA”) function, without assuming direct oversight of Internal Audit.

In this regard, the RMC shall:

- provide input to the Audit Committee on key and emerging risk areas for consideration in the development of the risk-based internal audit plan;
- receive, where appropriate, summary or thematic information relating to significant risk and control matters arising from Internal Audit reviews.

The Audit Committee shall retain primary responsibility for the oversight of the Internal Audit function, including approval of the internal audit plan, review of internal audit reports and monitoring of management’s remedial actions.

## **9. MEETINGS AND REPORTING**

The RMC shall meet periodically to review the Group’s risk profile, principal and emerging risks, and the effectiveness of risk mitigation measures.

The RMC shall report to the Board on significant risk matters, including changes in the Group’s risk profile, emerging risks and material risk exposures.

Minutes of the RMC meetings shall be tabled to the Board for information and noting.

## **10. SUPPORT TO BOARD ASSURANCE**

The RMC shall support the Board in forming its annual assessment and disclosures under the Statement on Risk Management and Internal Control by providing oversight on the adequacy and effectiveness of the Group’s risk management framework and internal controls relating to key risks.