

TASHIN HOLDINGS BERHAD

(Company No. 1242878-H)

(Incorporated in Malaysia)

TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE

(Adopted on 17 April 2018)

1. Primary Purpose

The Risk Management Committee is responsible for overseeing the risk management matters relating to the activities of the Company and its subsidiaries ("**the Group**"). It assists the Board to fulfil its responsibilities with regard to risk management in order to manage the overall risk exposure of the Group.

The Risk Management Committee is also responsible for overseeing the compliance function and monitoring the overall compliance of the Group.

2. Composition of Members

The Board of Directors shall elect the Risk Management Committee members from amongst themselves, comprising no fewer than three (3) members, of which a majority of whom are independent.

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 who shall be an Independent Director.

4. Secretary

The Secretary of the Risk Management Committee shall be the Company Secretary of the Company.

5. Meetings

The Risk Management Committee may hold regular meetings for the despatch of business, adjourn and otherwise regulate their meetings, at least twice 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.

The Secretaries 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.

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(Terms of Reference of Risk Management Committee - cont'd)

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

Each member of the Risk Management Committee is entitled to one (1) vote in deciding the matters deliberated in the meeting. The decision that gained the majority votes shall be the decision of the Risk Management Committee. In the event of an equality of votes, the Chairman of the Risk Management Committee shall be entitled to a second or casting vote.

6. Circular Resolutions

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 Secretary 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.

7. Quorum

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

8. Authority

The Risk Management Committee shall have the authority to make decision on matters which fall within the purpose and responsibilities of the Risk Management Committee.

The Risk Management Committee shall also have the authority to seek information and have unrestricted access to information pertaining to the Group and Management, to fulfil its primary purpose and responsibilities.

The Risk Management Committee shall make recommendations to the Board in respect of risk related matters which warrants the attention of the Board.

9. Duties and Responsibilities

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

- To oversee and recommend the risk management policies and procedures of the Group;
- To review and recommend changes as needed to ensure that the Group has in place at all times a risk management policy which addresses the strategic, operational, financial and compliance risks;

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(Terms of Reference of Risk Management Committee - cont'd)

- To implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the Group's business risks;
- To set reporting guidelines for Management to report to the Committee on the effectiveness of the Group's management of its business risks;
- To review the risk profile of the Group including all its subsidiaries and to evaluate the measures taken to mitigate the business risks; and
- To review the adequacy of Management response to issues identified in risk registers, ensuring that the risks are managed within the Group's risk appetite.