



# **TPC PLUS BERHAD**

Company No. 615330-T  
(Incorporated in Malaysia under the Companies Act, 1965)

## **RISK MANAGEMENT COMMITTEE CHARTER**

Approved by the Board of Directors on 28 November 2018

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## 1. INTRODUCTION

- 1.1 Risk is inherent in every business, and the increased complexity and volatility of today's business risk coupled with the introduction of new legislation meant that the ability to effectively manage risk has become ever more important.
- 1.2 The Board of Directors ("**the Board**") is mindful that as the Group is reliant on table egg industry, the Group is exposed to inherent risks unique to this industry.
- 1.3 Whilst the Board still retain ultimate responsibility for risk management and for determining the appropriate level of risk appetite, the Risk Management Committee ("**RMC**") and the Audit Committee ("**AC**") are respectively entrusted with the duty of ensuring the adequacy of and managing the Group's risk management framework and process as well as systems of internal controls.
- 1.4 In essence, the RMC is responsible for the execution and management of the risk management framework and systems of internal controls while the AC takes on a supervisory role in respect of the Group's risk management framework and systems of internal controls.

## 2. DUTIES AND RESPONSIBILITIES

- 2.1 The duties and responsibilities of the RMC are as follows:
  - 2.1.1 To ensure that the risk management framework is embedded in and functions effectively throughout the Group and is within the parameters established by the Board.
  - 2.1.2 To ensure that the Risk Heat Map of the Group remains relevant taking into consideration any changes to the business environment that the Group is operating in.
  - 2.1.3 To review the Key Risk Profile of the Group annually and determine the acceptability of the residual risks of the Group.
  - 2.1.4 To review the adequacy of the Group's risk management process and systems established by the Management to contain the key business risks to a level acceptable to the Board and reporting of the same to the Board.
  - 2.1.5 To update the Board on changes to the Key Risks Profile on an annual basis or when appropriate and the course of action to be taken by management in managing the changes

### **3. POWERS AND AUTHORITIES**

- 3.1 As the committee that has been entrusted by the Board with the task of implementing and overseeing the risk management framework, the RMC is vested with the following authorities:
- 3.1.1 have the resources which it needs to perform its duties;
  - 3.1.2 have full access to any information which it requires in the course of performing its duties; and
  - 3.1.3 have direct communication channels with the Group Managing Director, as the case may be, to obtain information and feedback in performing its duties.

### **4. COMPOSITION**

- 4.1 The RMC shall comprise a majority of Independent Directors.
- 4.2 The Board shall approve the membership of the RMC which shall comprises a mixture of risk and business management knowledge and experience.
- 4.3 RMC members may be nominated employees from the various divisions in the Group such as Head of Departments. The RMC should also include the Group Managing Director and a manager or senior executive to be identified as the Key Risk Officer.
- 4.4 Secretary
- 4.4.1 The Secretary of the RMC shall be appointed from among the members of the RMC or such other person as the RMC shall decide from time to time.
  - 4.4.2 The Secretary to the RMC is to assist the RMC in performing work pertaining to the summoning of meeting, preparation of agendas, delivery of supporting documents for meetings and keeping of minutes.

### **5. MINUTES**

- 5.1 The RMC meeting proceedings shall be recorded by the Secretary or nominated member and circulated prior to the next meeting along with items for agenda.
- 5.2 A copy of the minutes of meeting is to be circulated to the Board to keep them adequately informed of RMC's activities.

## **6. CONFIDENTIALITY**

- 6.1 The members of RMC shall have an obligation to treat all information discussed including but not limited to trade secrets, manufacturing processes and methods, business plans and formulae in a confidential manner.