P: +603 6148 0890
F: +603 6148 0891
info@infolinegroup.com

INFOLINE TEC GROUP BERHAD 202101032489 (1432789M)
NO 53-3, Jalan PJU 5/20E, Pusat Perdagangan Kota Damansara,
47810 Petaling Jaya, Selangor.

PUBLIC USE

"INFOLINE TEC" GROUP OF COMPANIES

STANDARD POLICY & PROCEDURE	EFFECTIVE **1 March 2025**	REV. NO. **0**
SUBJECT **RISK MANAGEMENT AND INTERNAL CONTROL**		

TERMS OF REFERENCE OF THE RISK MANAGEMENT COMMITTEE ("RMC")

1. Objectives

The principal objectives of the RMC are to assist the Board of Directors ("**Board**") in fulfilling its corporate governance oversight responsibilities for a sound Risk Management and Internal Control System. This framework enables the Board to make informed decisions regarding the level of risk the Company and its subsidiaries ("**Group**") can and is willing to take and thereon implement necessary controls to pursue their objectives. Consequently, the Board is provided with reasonable assurance that any adverse impacts arising from foreseeable future events or situations affecting the company's objectives are effectively managed or mitigated.

2. Composition of members

In line with the Malaysia Code on Corporate Governance ("**MCCG**") Practice 10.3, the Board shall establish a RMC, which comprises a majority of independent directors, no fewer than three (3) members to oversee the Company's risk management framework and policies.

Retirement and resignation

If a member of the RMC or Chairman of the RMC resigns, dies, or for any reason ceases to be a member or Chairman resulting in non-compliance to the composition criteria as stated in paragraph 2 above, the Board shall within three (3) months of the event appoint such number of the new member(s) or Chairman of the RMC respectively as may be required to fill the vacancy.

3. Chairman

The Chairman of the RMC shall be an Independent Non-Executive Director elected by the Board from amongst the RMC members.

The Chairman of the RMC together with other members of the RMC should ensure amongst others that: -

(a) meetings are conducted in a timely and orderly manner, with minutes documented and distributed to all relevant parties to facilitate prompt action.

(b) review, implement, and ensure that material sustainability matters and risks are identified on a periodic basis, with adequate controls established by the Management and the RMC within the Group.

(c) provide the Board with comprehensive reports on meeting outcomes and recommendations. Additionally, if there are instances or potential uncontrolled risks within the Group, the RMC should promptly update the Board on newly identified risks and the corresponding controls in place.

4. Terms of Office

The Nominating Committee of the Company shall review the term of office and performance of the RMC and each of its members annually to determine whether such RMC and members have carried out their duties in accordance with the RMC's terms of reference.

5. Meetings

The RMC shall meet together for at least twice yearly or more frequently as deemed necessary. The Chairman or any other member of the RMC may call for additional meetings at any time at their discretion.

Upon the request of the external auditors, the Chairman of the RMC shall convene a meeting of the RMC to consider any matter the external auditors believe should be brought to the attention of the RMC, the Board or the shareholders.

Reasonable notice of RMC meetings shall be given in writing to all the RMC members unless the RMC waives such requirement.

The RMC may hold a committee meeting at two (2) or more venues within or outside Malaysia using any technology that gives the RMC members as a whole a reasonable opportunity to participate. Any member of the RMC participates at a RMC meeting by way of telephone and video conferencing or by means of other communication equipment whereby all persons participating in the meeting are able to hear each other and be heard for the entire duration of the meeting in which event such member shall be deemed to be present at the meeting. A member participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the RMC members attending the meeting provided that at least one (1) of the members present at the meeting was at such place for the duration of that meeting. All information and documents must be made equally available to all participants prior to or at/during the meeting.

The Chairman of the RMC shall engage on a continuous basis with the Chairman of the Board, the Chief Executive Officer, Executive Directors, Chief Financial Officer,

any other relevant parties in order to be kept informed of matters affecting the Company.

6. Quorum

The quorum shall consist of at least two (2) members.

7. Circular Resolution

A resolution in writing may be accepted as sufficiently signed by a member of the committee if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by a majority of the RMC members for the time being, shall be valid and effective as if it had been passed at a meeting of the RMC duly called and constituted. All such resolutions shall be described as "RMC Members' Resolution in Writing" and shall be forwarded or otherwise delivered to the Company Secretary(ies) without delay and shall be recorded by the Company Secretary(ies) in the minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members of the RMC.

8. Minutes

Minutes of each meeting shall be kept at the registered office and distributed to each member of the RMC and also to the other members of the Board.

The minutes of the RMC meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence of the proceedings of the meeting duly held.

9. Reporting

The Chairman of the RMC shall report to the Board on the proceedings of each meeting and on matters as it considers appropriate within a reasonable period after the conclusion of each meeting, either formally in writing or verbally.

The RMC shall report to the Board on any specific matters referred to it by the Board.

10. Authority

The RMC shall, in accordance with a procedure to be determined by the Board and at the expense of the Company: -

(a) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties;

(b) obtain/engage independent professional advice or other advice and invite outsiders with relevant experience and expertise to attend, if considers necessary; and

(c) be entitled to the services of the Company Secretary(ies).

11. Roles and Responsibilities

The duties and responsibilities of the RMC are as follows: -

(a) Actively participate in meetings to engage in discussions on risk-related matters and propose actionable steps to address any identified risks or weaknesses in controls, ensuring effective outcomes;

(b) utilize available resources to contribute to the committee's objectives; and

(c) oversee the risk management framework and internal control policies by reviewing them with Management as follows: -

- The company's risk appetite and risk tolerance, assessing whether the company's strategy is consistent with the agreed-upon risk appetite and tolerance levels for the company/group.

- Maintaining and establishing a clear framework to hold management accountable for building and maintaining an effective risk appetite framework, and providing the Board with regular, periodic reports on the company's residual risk status.

- The design of the company's risk management functions, as well as the qualifications and backgrounds of senior risk personnel and the policies applicable to risk management, to evaluate whether they are appropriate given the company's size and scope of operations.

- The results of group-wide risk assessments, including the identification and reporting of critical risks.

- The categories of risk the company/group faces, including any risk concentrations and risk interrelationships, as well as the likelihood of occurrence, potential impact, mitigating measures, and action plans to be employed if a given risk materializes.

- The policies and procedures in place to hedge against or mitigate risks, along with the actions to be taken if risk limits are exceeded.

- The assumptions and analyses underpinning the determination of the company's principal risks, and whether adequate procedures are in place

to ensure that new or materially changed risks are properly and promptly identified.

- The implementation of risk policies and procedures to assess whether they are being followed and are effective.

- The policies and framework that govern the management of risks, including risk governance matters that have been delegated by the Board.

- The review of the risk appetite level of the company/group in alignment with the Board's approvals.

- Monitoring technology, information, and cyber risks against appetite as part of overall risk oversight.

- Reviewing and monitoring all risks and risk management practices, including internal control and compliance processes and systems.

- Approving the appointment, reviewing the committee structure and composition, and defining the roles and duties of the management-level risk management committee/working group.

- Consulting and exchanging views with the Audit Committee to assess whether the risk management policies and strategies cover all existing and new types of financial risks, and evaluating the effectiveness and efficiency of their implementation.

- Performing other duties as delegated by the Board of Directors or required by regulatory obligations.

12. Disclosure on Risk Management Activities

The RMC shall ensure that the disclosures made comply with Paragraph 15.26(b) of Bursa Securities Main Market Listing Requirements and Paragraph 42 of the Statement of Risk Management and Internal Control Guidelines.

In accordance with Practice 10.2 of the MCCG, the Board shall disclose the features of the risk management and internal control framework, including the adequacy and effectiveness of this framework, in the following manner:

(a) Describe the ongoing process for identifying, evaluating, and managing the significant risks faced by the company in achieving its objectives and strategies.

(b) Confirm that this process has been in place for the year under review and continues up to the date of approval of this statement for inclusion in the annual report.

(c) Through the committee, review the risk management and internal control systems, confirming that necessary actions have been or are being taken to address any significant failings or weaknesses identified during that review.

(d) State that a review of the adequacy and effectiveness of the risk management and internal control systems has been undertaken.

(e) Outline the features of the risk management and internal control framework, as well as the adequacy and effectiveness of this framework.

(f) Detail the process applied to address material internal control aspects of any significant problems disclosed in the annual report and financial statements.

(g) Disclose instances where material joint ventures and associates have not been included in the group for the purposes of applying these guidelines.

(h) Confirm that the Board has received assurance from the Chief Executive Officer and Chief Financial Controller stating that the company's risk management and internal control system is operating adequately and effectively, in all material respects, based on the company's risk management and internal control system.

(i) As required under paragraph 15.23 of Bursa Securities Listing Requirements, ensure that the external auditors review the statement regarding the state of risk management and internal control made by the Board of Directors and report the results to the Board.