



KHEE SAN BERHAD

Registration No: 199401018697
(304376-A)

RISK COMMITTEE TERMS OF REFERENCE

OBJECTIVES OF THE COMMITTEE

The principal objective of the Risk Committee (“RISKC”) is to assist the Board of Directors in their responsibilities to identify, assess and monitor key business risks to safeguard shareholders’ investments and the company’s assets.

A. COMPOSITION

1. The RISKC is a committee of the Board of Directors.
2. The RISKC must be comprised of at least three (3) Members and consist of a majority of Independent Non-Executive Directors.
3. The RISKC must ensure that no Alternate Director is being appointed as a Member of the Committee.

B. RESIGNATION

1. When the Member ceases to be a Director of the Company, he shall also cease to be a Member of the RISKC.
2. In the event, if there is a vacancy in the RISKC, such vacancy must be filled within three (3) months and the suitable person to be recommended for the appointment thereon and such recommendation shall then be approved by the Board of Directors.

C. CHAIRMAN

1. The Members shall elect a person amongst themselves who is an Independent Director to be the Chairman of the RISKC. The Chairman of the Committee shall be approved by the Board of Directors.
2. In the absence of the Chairman, one (1) of the other RISKC Members shall be elected as the Chairman for the Meeting.

D. SECRETARY

1. The Secretary of the Board of Directors shall be the Secretary of the RISKC.
2. The Secretary of the Committee shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting. As a reporting procedure, the Minutes shall be circulated to all members of the Board.

E. ATTENDANCE OF OTHER DIRECTORS AND EMPLOYEES

1. The RISKC shall invite other Directors and Employees of the Company to attend the RISKC Meetings, as and when necessary.

F. QUORUM

1. The quorum of a Meeting is two (2) of the Committee Members.

G. PROCEDURE

1. Calling of meetings

1.1 The RISKC shall meet at least twice a year. Additional Meetings may be called at any time by the Chairman upon the request of any Committee Members.

1.2 The non-member Directors and employees of the Company and of the Group shall normally attend the meetings at the Committee's invitation, to assist in its deliberations and resolutions of matters raised.

2. Notices to be given of Meetings

2.1 Notice of the Meeting shall be given to the Members at least seven (7) days by the Secretary of the RISKC before the Meeting, either by electronic or manual. Shorter notice may be given if agreed by a majority of the Members.

3. Proceedings of Meetings and Votings

3.1 The Chairman shall determine the proceedings of the Meetings and its voting process as he or she deems fit.

3.2 Subject to the requirement to conduct the required meeting, in appropriate circumstances, the Committee may deal with matters by way of circular reports and resolution in lieu of convening a formal meeting.

4. Keeping of minutes

4.1 The minutes of the Meetings shall be kept by the Company Secretary.

H. FUNCTIONS AND DUTIES

1. The functions and duties of the RISKC, shall include:-

- i) Oversee and recommend the risk management policies and procedures of the Company;
- ii) Implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the Group's business risks;
- iii) Set reporting guidelines for Management to report to the Committee on the effectiveness of the Group's management of its business risks;
- iv) Review the Group and its subsidiaries' risk profiles and evaluate the measures taken to mitigate the business risks.

I. REVIEW OF THE RISKC

1. The term of office and performance of Members must be reviewed annually by the RISKC Members.

J. TERMS OF REFERENCE

1. The Terms of Reference of RISKC should be reviewed every two (2) years by the Members.
2. The RISKC must ensure that the RISKC's Terms of Reference be made available on the Company's website.

(Last reviewed on 28 August 2023)