



**TERMS OF REFERENCE  
RISK MANAGEMENT AND GOVERNANCE  
COMMITTEE (RMGC)**

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RISK MANAGEMENT AND GOVERNANCE COMMITTEE**

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**SURIA CAPITAL HOLDINGS BERHAD**  
***(Company No.: 96895-W)***

**TERMS OF REFERENCE OF THE RISK MANAGEMENT  
AND GOVERNANCE COMMITTEE**

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**1. OBJECTIVES**

The principal objectives of the Risk Management and Governance Committee ("RMGC") is to assist the Board of Directors ("the Board") of Suria Capital Holdings Berhad ("SCHB") Board in fulfilling its responsibilities and function in the following matters:

- i. Overseeing the overall management of process identification and assessment on risk exposure of SCHB and its subsidiary companies ("the Group");
- ii. Monitoring and review the effectiveness of Enterprise Risk Management ("ERM") framework in managing key risks;
- iii. Overseeing the implementation of the Group integrity programme and monitoring the overall issue of unethical conduct and corruption within the Group; and
- iv. Overseeing and monitoring the effectiveness of the Group's sustainability programme by ensuring that the programme aligned with the Group's short and long-term strategy.

## **2. COMPOSITION OF MEMBERS**

- 2.1 The Board shall elect the RMGC members from amongst themselves. The composition of the Committee shall comprise not less than four (4) Board of Directors represented as follows:
- i. A Chairman from amongst the Board of Directors (not being the Chairman of the Audit Committee) and must be independent & non-executive director; and
  - ii. At least three (3) members of the Board of Directors.
- 2.2 The Committee is also accompanied by three (3) permanent invitees, which are as follows:
- i. The Group Managing Director ("GMD") of the Group.
  - ii. The Chief Financial Officer ("CFO") of the Group.
  - iii. The Head of Group Risk & Integrity Department ("GRID").
- 2.3 Meetings shall be held not less than four (4) times a year. Unless otherwise agreed, notice of every meeting, confirming the venue, date and time together with the agenda of items and supporting papers to be discussed shall be forwarded to each Committee member and all persons required to attend no later than three (3) working days prior to the date of the meeting.
- 2.4 The quorum of the Committee meeting shall be at least three (3). In the absence of the chairman, the members shall appoint one of the members as the chairman of the meeting.
- 2.5 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretions vested in or exercisable by the Committee

### **3. DUTIES AND RESPONSIBILITIES OF THE RISK MANAGEMENT & GOVERNANCE COMMITTEE**

The following are the main duties of the RMGC collectively:

#### **3.1 Risk Management**

- i. To review and recommend the implementation of the Group's ERM policy and procedure.
- ii. To advise the Board on the Group's overall risk appetite, risk tolerance and risk policy.
- iii. To provide appropriate advice and recommendations to material risk issues, and a risk management system for timely identification, mitigation and management of such key risks that may have a material impact on the Group.
- iv. To review, monitor and understand the risk profile of the Group. This is undertaken through ongoing process of identification, evaluation and management of all material risks, particularly strategic risk.
- v. To report to the Board on its consideration of the above matters, identifying those areas where improvement is needed and making recommendations as appropriate.
- vi. To ensure that Management has in place an effective risk management system to identify, control and minimise risk exposures to the Group.
- vii. To review the adequacy of the Group's overall risk assessment processes, and the ability of the Group to identify and manage and control new and/or emerging risks including recommendation and/or guidance to the Management of risk treatment for urgent or high-level risks.
- viii. The Committee shall review the scope, effectiveness and objectivity of the GRID and ensure that the department has adequate infrastructure and resources and be staffed by an appropriate number of experienced and

qualified employees who are sufficiently independent to perform their duties objectively.

- ix. To approve the GRID's annual operational plan with reference to the appropriateness of the scope and timing of proposed coverage in relation to risks.
- x. To consider the adequacy and effectiveness of the technology infrastructure supporting the risk management policy and framework.

### **3.2 Sustainability**

- i. Provide oversight of sustainability efforts to ensure alignment with the Group's business strategy through effective management of significant and material Economic, Environment and Social ("EES") matters impacting the principal businesses of the Group.
- ii. Review the effectiveness of the Group's strategies, policies, principles and practices pertaining to sustainability programme and initiatives. Provide oversight and input to the Management to ensure that the Group's strategies, goals and principles pertaining to sustainability (i.e., in respect of the environment, employees and communities in which it operates) are aligned with, promote and encourage the Group's commitment towards sustainability.
- iii. Advise on the Group's sustainability report and any other issue-specific reports (if any) prior to reporting to the board including:
- iv. Monitor changes in the Group's sustainability policies, standards and procedures, and its implementation;
- v. Assessment of issues material to the achievement of sustainability by the Group and efforts to address the material issues;
- vi. Compliance to the Group's sustainability policies.
- vii. Review issues relating to sustainability arising from independent audits and assurance reports as well as any matters highlighted by the consultant.

- viii. Consider and recommend to the Board positioning on relevant emerging sustainability issues.
- ix. Provide the Board with assurance on the quality and technical content of the sustainability information used by the Board and of the sustainability information issued publicly by the Group.
- x. Oversee stakeholder engagement and its outcomes addressing economic, environmental, social and governance matters with regard to the strategic sustainability goals, in particular, matters that may affect the Group's reputation. This shall include key concerns/allegations that are raised by stakeholders, evolving public sentiments and government regulations.

### **3.3 Integrity & Governance**

- i. Review and recommend the Group's governance and compliance framework for the approval of the Board to inculcate an ethical environment and promulgate good governance practices consistent with the Board's risk appetite, guided by applicable laws and regulations, including but not limited to, the Malaysian Code on Corporate Governance and the Malaysian Anti-Corruption Commission Act 2009.
- ii. Oversee the Integrity and Governance Unit in achieving its objectives.
- iii. Review policy governance of the Group and its compliance with applicable laws and regulations.
- iv. Review adequacy of compliance programme of the Group and the implementation of relevant anti-corruption control measures, including but not limited to, due diligence process, compliance checks and monitoring, as well ensuring ongoing awareness programme, communication, training and education on integrity.
- v. Review and approve the annual compliance plan and ensure the adequacy of coverage.

- vi. Review the Group's procedures for detecting corruption and malpractice, including the adequacy of whistle blowing policy and process to encourage the employees and stakeholders to raise genuine concerns about illegal, unethical or questionable practices in the Group without the risk of reprisal.
- vii. Oversee issues of corruption, fraud, malpractice and unethical conduct within the organisation.
- viii. Review any related party transaction and conflict of interest situations that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of management integrity (including recurrent related party transaction).
- ix. Examine and commission appropriate investigation on instances and matters, including disclosures from whistle blower that may have compromised the principles of corporate governance and the Group's code of conduct or ethics policy.

### **3.4 Other Matters**

- i. Ensure that proper processes and procedures are in place to comply with all relevant laws, regulations and rules.
- ii. Perform delegations of authority and responsibilities of the RMGC as the Committee deems appropriate and periodically review such delegations.
- iii. Undertake any such other functions as defined by the Board.

## **4. POWERS OF THE COMMITTEE**

The Committee is authorised to:

- i. Full, free and unrestricted access to any information, records, properties and personnel of SCHB and of any other company within its Group;
- ii. Seek any information it requires from any employee in order to perform its duties and have access to all relevant records;

- iii. Invite any employee or other individual to attend a meeting of the Committee; and
- iv. Appoint external consultant at the Company's costs to provide risk management services, or any experts as maybe appropriate, to enable the Committee to discharge its duties and responsibilities and to determine the terms of appointment and termination of such consultants or experts, including approval of their fees.
- v. The Committee does not have the approving authority and shall make whatever recommendations to the Board it deems appropriate on any area within its remit where actions or improvement is needed.

5. **SECRETARY**

The Group Company Secretary ("GCS") and/or his/her representative shall act as the Secretary of the RMGC. The Secretary shall be responsible for sending notices of the meetings, taking minutes of meetings, circulating the minutes for signature, and keeping the minutes thereof for records.

6. **MINUTES**

The minutes of the RMGC 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. Minutes of each meeting shall be kept at the registered office.