

MQ TECHNOLOGY BERHAD

(Company No: 635804-H)

RISK MANAGEMENT COMMITTEE

TERMS OF REFERENCE

1.0 APPOINTMENT

- 1.1 The Risk Management Committee (“RMC”) of MQ Technology Berhad (“MQ” or “the Company”) shall be appointed by MQ Board of Directors (“Board”) from amongst its members, and shall consist a majority of Independent Directors to oversee the Company’s risk management framework and policies.
- 1.2 The Executive Director and the Chief Financial Officer shall have a standing invitation to attend meetings of the Committee. Other senior management or professional persons with relevant knowledge, skills and competence may be invited to provide additional insight and relevant guidance on specific subjects.
- 1.3 The Chairman of the Committee shall be appointed by the Board.
- 1.4 All members shall hold office only for so long as they serve as Directors of the Company. The Board shall have the power to rescind the appointment of any member of the Committee and appoint a replacement.
- 1.5 The Secretary of the Committee shall be the Company Secretary of MQ or such other person as designated by the Committee to be the Secretary of the Committee (referred to hereinafter as “Secretary”).

2.0 ADMINISTRATION

2.1 Meetings

- (i) Meetings shall be held not less than two (2) times in a year. In addition, the Chairman of the Committee may call a meeting of the Committee if a request is made by any Committee members or the Company’s Executive Director if they consider it necessary.
- (ii) The meetings of the RMC may be conducted by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means and the minutes of such a meeting signed by the Chairman shall be conclusive of any meeting conducted as aforesaid.
- (iii) Any person other than the Committee members may attend any Committee meeting, as determined necessary by the Committee, or as invited by the Chairman.
- (iv) The quorum of a meeting shall be at least two (2) members, with at least one (1) member being an Independent Non-Executive Director.

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- (v) Minutes of the meeting shall be recorded and its draft circulated to all members of the Committee for comments. Such minutes shall be signed by the Chairman of that meeting or by the Chairman of the next meeting. The duly signed minutes shall be sufficient evidence of the proceedings at the meeting.
- (vi) Minutes of each Committee meeting shall be kept at the registered office of the Company under the custody of the Company Secretary. The Minutes shall be open for the inspection by the Board and external auditors.

3.0 FUNCTIONS AND RESPONSIBILITIES

3.1 The function and responsibilities of the Committee shall include the following:

- (a) Oversee the formulation and implementation of Risk Management framework to identify and deal with risks faced by the Company, including without limitation, operational, legal and regulatory risks;
- (b) Review and assess the effectiveness of the Company's Risk Management framework (including risk management programmes, risk management systems and internal audit function relating to risk management) and internal controls systems;
- (c) Advise the Board on the Company's overall risk appetite, tolerance and strategy, taking into account current and prospective operational, regulatory and financial environment, and ensure coordination with internal controls;
- (d) Review changes in the nature and extent of significant risks, and the Company's response to changes in the business and external environment.
- (e) Review and monitor regularly the adequacy of risk management policies, strategies and relevant frameworks and internal control systems;
- (f) Review and approve the statements to be included in the Company's annual report concerning risk management and internal controls;
- (g) Review mitigation plans for highlighted risks, including risk transfer mechanisms such as specialist insurance products;
- (h) Review reports on incidences of any material breach of risk limits, significant control failings or identified weaknesses, and the adequacy of proposed remedial actions;
- (i) Consider, and make recommendations to the Board in connection with the compliance by the Company with its Risk Management Strategy;
- (j) Present the Risk Management report to the Board which includes amongst others, inherent risks faced in the Company's strategy and brief description of how risks have been managed in the Company;

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- (k) Review any strategic and significant development projects as may be proposed by Management, including participation in local and regional joint ventures as well as mergers and acquisitions which are consistent with the Company's business plan, and put forth its recommendations or endorsement to the Board;
- (l) Oversee risk aspects of joint venture management such as issues with shareholders, contractual obligations, compliances and operations;
- (m) Review and provide recommendations to the Board on any business development opportunities as may be proposed by Management, including new businesses or activities which are of synergistic value to the Company's current business, ensuring that appropriate due diligence appraisal of any such proposal has been undertaken, focusing in particular on risk aspects and implications for risk appetite and tolerance of the Company.

4.0 AUTHORITY

- 4.1 The Committee, with concurrent notification to the Executive Director shall have the authority to seek information it requires from any officer or employee of the Company.
- 4.2 The Committee is authorized to obtain such independent professional advice as it considers necessary for the performance of its duties.
- 4.3 The Committee shall share with the Board, its findings of any independent professional advice and any relevant feedback from employees.

