



SCIENTEX PACKAGING (AYER KEROH) BERHAD

(Formerly known as DAIBOCHI BERHAD)

Company No.: 197201001354 (12994-W)

(Incorporated in Malaysia under the Companies Act)

TERMS OF REFERENCE OF THE RISK MANAGEMENT COMMITTEE

1. PURPOSE

The purpose of the Risk Management Committee (RMC) is to assist the Board in its responsibilities to identify, assess and monitor key business risks to safeguard shareholders' investments and the assets of Scientex Packaging (Ayer Keroh) Berhad (formerly known as Daibochi Berhad) and its subsidiaries (collectively referred to as "the Group") in line with Bursa Malaysia's Main Market Listing Requirements, Malaysian Code on Corporate Governance 2017 and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

2. COMPOSITION OF RISK MANAGEMENT COMMITTEE

- 2.1 The RMC shall comprise a majority of Independent Directors to oversee the Group's risk management framework and policies.
- 2.2 The Chairman of the RMC shall be an Independent Non-Executive Director ("INED") of the Company, elected from amongst the RMC members and approved by the Board of Directors.
- 2.3 If at any meeting, the Chairman of the RMC is not present within fifteen (15) minutes after the time appointed for holding the meeting, the members present may choose any Non-Executive Director to be the chairman of the meeting.
- 2.4 All resolutions of the RMC shall be adopted by a simple majority vote. In case of equality of votes, the Chairman of the RMC shall have a second or casting vote.
- 2.5 The company secretary or her nominee shall act as the secretary of the RMC.

3. MEETINGS

- 3.1 The RMC shall meet on a half yearly basis. The Chairman may call for additional meetings at any time at the Chairman's discretion.
- 3.2 Any other Board members and senior management/heads of departments e.g. from Finance, Operations, Sales and relevant departments may be invited to attend the RMC meetings.

- 3.3 A quorum shall consist of three (3) members, comprising of at least two (2) NEDs.
- 3.4 The minutes of meeting shall be signed by the chairman of the meeting. The minutes shall be circulated to all members of the RMC and the Board.
- 3.5 The RMC may take action by way of circular resolutions in lieu of convening a formal meeting. A resolution in writing signed by all members of the RMC for the time being entitled to receive notice of a meeting of the RMC, shall be as valid and effectual as if it had been passed at a meeting of the RMC duly convened and held.
- 3.6 The RMC shall report to the Board of Directors the proceedings, findings and recommendations of each meeting

4. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the RMC which are to be carried out with due care and diligence for all identified risks based on the information available are as follows:

- (a) to assist the Board of Directors to oversee the overall management of such risks; and
- (b) to report, advise and recommend to the Board, the overall risk appetite, tolerance and strategy on managing such risks.

5. AUTHORITY

- 5.1 The RMC is authorized by the Board to:
 - (a) investigate any activity or matter within its Terms of Reference;
 - (b) have full and unrestricted access to any employee in or Director of the Group and all relevant information/records pertaining to the Group to enable it to perform its duties and responsibilities effectively;
 - (c) invite any member of the senior management team or employee to attend the RMC meeting where necessary, to brief/advise the RMC members on the potential risks and mitigating actions that may be taken to control these risks; and
 - (d) obtain relevant internal and external professional advice as it deems necessary, at the Group's expense, to assist the RMC in the proper discharge of its roles and responsibilities.
- 5.2 The RMC shall make recommendations to the Board in risk related matters for its consideration and implementation.

6. REVIEW OF TERMS OF REFERENCE

The RMC shall review its terms of reference, as and when deemed necessary. This is to ensure the RMC's relevance in assisting the Board to discharge its duties in accordance with the changes in corporate laws, requirements and regulations that may arise and to remain consistent with the RMC's duties and responsibilities.

Upon recommendation by the RMC, this Charter has been approved and adopted by the Board on 8 December 2017 and updated with the new name of the Company with effect from 30 December 2021. V3