



**DUFU TECHNOLOGY CORP. BERHAD**<sup>(581612-A)</sup> APPENDIX IV  
**RISK MANAGEMENT COMMITTEE**  
**TERMS OF REFERENCE**

**TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE**

**1.0 APPOINTMENT**

- 1.1 The Risk Management Committee (“the RMC” or “the Committee”) of Dufu Technology Corp. Berhad (“DUFU” or “the Company”) shall be appointed by DUFU Board of Directors (“DUFU Board”) from Key Management and Representative(s) from each major business units/ departments to be identified by the Management from time to time and shall comprise of no fewer than 3 members.
- 1.2 The Chairman shall be elected by members of the RMC. In the absence of the committee Chairman, the remaining members present shall elect one of their members to chair the meeting.
- 1.3 A Secretary shall be nominated by the RMC.
- 1.4 If a member, for any reason, ceases to be a member, DUFU Board shall appoint a new member so that the number of members does not fall below three.
- 1.5 A member who wishes to resign from the RMC shall notify RMC in writing.

**2.0 DUTIES**

- 2.1 The duties of the RMC shall be as follows:
  - (i) To oversee the risk management activities of the Group and to assist the Board in fulfilling its responsibility for identifying significant risks and ensuring the implementation of appropriate systems to manage the overall risk exposure of the Group.
  - (ii) Advises the Audit Committee (“AC”) and the Board on areas of high risk and the adequacy of compliance and control procedures throughout the organization.



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### **3.0 AUTHORITY**

The RMC is authorized:

- a) to seek any information it requires from any employee of the Group in order to perform its duties.
- b) to obtain professional advice externally at the Company's expense on any matter within its terms of reference as it deems necessary or appropriate.
- c) request any employee/ Executive Management to attend meetings of the Committee for discussion as and when required.

### **4.0 ADMINISTRATION**

#### **4.1 Meetings**

- a) 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.
- b) The meeting shall be held at least once every quarter at appropriate times and otherwise as required.
- c) The RMC shall have full discretion with regard to the calling of the meetings and the proceedings thereat and may invite any Director or management to its meetings.
- d) The RMC shall appoint a secretary who shall attend all the meetings and minute the proceedings of all committee meetings, including the names of those present and in attendance. The minutes shall be confirmed by the Chairman of the meeting and circulated to all members of the RMC. A RMC Report will be prepared by the RMC and tabled to the Board of Directors on quarterly basis.
- e) The quorum necessary for the transaction of business shall be two members. 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 discretion vested or exercisable by the Committee.



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4.2 Notice

The notice of each meeting of the RMC, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the RMC at least seven (7) days prior to the date of the meeting.

**5.0 GENERAL**

The RMC's Terms of Reference may from time to time be amended as required, subject to the approval of the Board.

This Term of Reference of RMC has been updated and adopted by the Board on 27 November 2017.