



# DUFU TECHNOLOGY CORP. BERHAD

Registration No.:200201013949(581612-A)

## APPENDIX IV RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE TERMS OF REFERENCE

### TERMS OF REFERENCE OF RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

#### 1.0 MEMBERSHIPS

- 1.1 The Risk Management and Sustainability Committee (“the RMSC” or “the Committee”) shall consist of Independent Non-Executive Directors, Executive Directors or members of management and shall comprise no fewer than 3 members. The composition of the Committee shall comprise of majority of Independent Non-Executive Directors.
- 1.2 The Board shall appoint Committee members and shall designate one of the members as the Chairman of the Committee
- 1.3 A Secretary shall be nominated by the RMSC.
- 1.4 If a member, for any reason, ceases to be a member, DUFU Board shall within three (3) months, appoint a new member so that the number of members meet the minimum required number and composition of the Committee.
- 1.5 A member who wishes to resign from the RMSC shall notify RMSC in writing.

#### 2.0 DUTIES

- 2.1 The duties of the RMSC shall be as follows:

##### **Risk management and control system issues**

- (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.

##### **Sustainability strategy, policies and improvement activities**

- (i) To review the sustainability strategy and improvement activities and assess how policies are implemented in achieving the sustainability goals and targets.
- (ii) To monitor the sustainability targets and key performance indicators as determined by the Committee from time to time.



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(iii) To determine the scope of the Sustainability Report

### 3.0 AUTHORITY

The RMSC 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 MEETINGS AND PROCEEDINGS

#### 4.1 Meetings

- a) The meetings of the RMSC 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.

The meeting shall be held at least twice a year, with an authority to convene additional meetings, as circumstances require.

- b) The RMSC 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.
- c) The RMSC 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 RMSC. A RMSC Report will be prepared tabled to the Board of Directors on subsequent meeting.
- d) The quorum necessary for the transaction of business shall be two members of which the majority presence shall be Independent Non-Executive Directors. 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 RMSC, 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 RMSC at least seven (7) days prior to the date of the meeting.

### 5.0 GENERAL

Words importing the masculine gender shall be deemed and taken to include the feminine.

The RMSC'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 RMSC has been updated and adopted by the Board on 27 February 2024.