



# **PGF CAPITAL BERHAD**

## **BOARD CHARTER**

(Version 2: approved on 26 June 2023)

## **1. Introduction**

- 1.1 The Directors of **PGF CAPITAL BERHAD** ("Company") regard Corporate Governance as vitally important to the success of Company's business and are unreservedly committed to applying the principles necessary to ensure that the following principles of good governance is practised in all of its business dealings in respect of its shareholders and relevant stakeholders:
- 1.1.1 The Board is the focal point of the Company's Corporate Governance system. It is ultimately accountable and responsible for the performance and affairs of the Company.
- 1.1.2 All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.
- 1.1.3 All Board members are responsible to the Company for achieving a high level of good governance.
- 1.1.4 This Board Charter shall constitute, and form, an integral part of each Director's duties and responsibilities.

## **2. Objectives**

The objectives of the Board Charter are to ensure that the members of the Board are aware of their roles, duties and responsibilities and the application of principles and practices of good corporate governance in their business conduct and dealings in respect of, and on behalf of the Company and the various laws and legislations governing them and the Company.

## **3. Board of Directors**

### **3.1 Board Responsibilities**

- 3.1.1 The Company acknowledges the pivotal role played by the Board in the stewardship of its direction and operations, and ultimately the enhancement of long-term shareholder value.
- 3.1.2 To fulfill this role, the Board is responsible for the following duties:
- Establishing and reviewing the strategic direction of the Company;
  - Overseeing and evaluating the conduct of the Company's businesses;
  - Identifying principal risks and ensure that the risks are properly managed;
  - Establishing a succession plan;
  - Developing and implementing an investors relations programme or shareholder communication policy; and

- Reviewing the adequacy of the Limits of Authority. Internal control policies are delegated to Executive Directors and Senior Management to review and approve.

3.1.3 The Board reserves full decision-making powers on the following matters:

- Conflict of interest issues relating to a substantial shareholder or a Director;
- Material acquisitions and disposition of assets not in the ordinary course of business;
- Investments in Capital projects;
- Authority levels; and
- Financing facility required by the Company.

3.1.4 In order to fulfill its responsibilities, the Board meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings.

### 3.2 Composition and Board Balance

3.2.1 The Board consists of qualified individuals with diverse experiences, backgrounds and perspectives. The composition and size of the Board is such that it facilitates the making of informed and critical decisions.

3.2.2 At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members are Independent Directors.

3.2.3 Profiles of Board members are included in the Annual Report of the Company.

3.2.4 The Chief Executive Officer (CEO) and the Executive Director(s) are the “Executive” Directors on the Board. However, the views of the Management are represented at meetings of the Board by the presence of senior executives when required.

3.2.5 The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.

3.2.6 The Independent Directors help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

### 3.3 Appointments

3.3.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee.

3.3.2 New Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Company.

- 3.3.3 The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.
  - 3.3.4 Upon the appointment of a new Director, the Company Secretary advises the Director of his/her principal duties and responsibilities and explains the restrictions to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities. Thereafter, all Directors are provided with appropriate briefings on the Company's affairs and up-to-date Corporate Governance materials published by the relevant bodies.
  - 3.3.5 The Company has adopted educational / training programmes to update the Board in relation to new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Company.
  - 3.3.6 In addition to the Mandatory Accredited Programme (MAP) as required by the Bursa Securities, Board members are also encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Company's operations and business. The Board will assess the training needs of the Directors and disclose in the Annual Report the trainings attended by the Directors.
  - 3.3.7 The directorships held by any Board member at any one time shall not exceed ten (10) in listed companies and fifteen (15) in non-listed companies.
  - 3.3.8 Executive Directors should not take on more than one (1) non-executive directorship, nor become Chairman of a major Company, and no individual should chair the Board of more than one (1) major Company.
- 3.4 Re-election
- 3.4.1 The Articles of Association provide that all Directors of the Company are subject to retirement.
  - 3.4.2 At least one-third of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to, but not more than one-third (1/3) of the total shall retire from office at the Annual General Meeting, provided always that all Directors shall retire from office at least once in every three (3) years.
  - 3.4.3 A retiring Director shall be eligible for re-election. This provides an opportunity for shareholders to renew their mandates.
  - 3.4.4 The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, attendance of meetings and the shareholdings in the Group of each Director standing for election are furnished in the Annual Report accompanying the Notice of the Annual General Meeting.
  - 3.4.5 Directors over seventy (70) years of age are required to submit themselves for re- appointment annually in accordance with Section 129 (6) of the Companies Act, 1965.

3.4.6 The Company Secretary ensures that all the necessary information is obtained and that all legal and regulatory obligations are met before the appointments are made.

### 3.5 Supply of Information

3.5.1 The Chairman, with the assistance of the Company Secretary, ensures that all Directors have full and timely access to information with Board papers distributed in advance of meetings. Every Director also has unhindered access to the advice and services of the Company Secretary.

3.5.2 Prior to the meetings of the Board and the Committees, appropriate documents which include the agenda and reports relevant to the issues of the meetings covering the areas of strategic, financial, operational and regulatory compliance matters, are circulated to all the members to obtain further explanation, where necessary, in order to be properly briefed before the meeting.

3.5.3 The Directors collectively determine, whether as a full Board or in their individual capacity, to take independent professional advice, where necessary and under appropriate circumstances, in furtherance of their duties, at the Group's expense.

3.5.4 Amongst others, the Board papers include the following:

- Quarterly financial report and report on the Company's cash and borrowing positions;
- Minutes of meetings of all Committees of the Board;
- A current review of the operations of the Company;
- Reports on Related Party Transactions and Recurrent Related Party Transactions;
- Directors' share-dealings, including public shareholdings spread; and

3.5.5 Full Board minutes of each Board meeting are kept by the Company Secretary and are available for inspection by any Director during office hours.

## 4. Chairman

The Chairman is responsible for the following:

- 4.1 To lead the Board effectively on all aspects of its role and setting the agenda;
- 4.2 To set the agenda for the Board meetings in consultation with the Executive Director;
- 4.3 To chair the Board meetings;
- 4.4 To chair the meetings of the shareholders;
- 4.5 To ensure the Board receives accurate, timely and clear information and if need, to provide additional information to make informed decisions;

- 4.6 To promote good corporate governance standards within the Group;
- 4.7 To ensure the Board behaves in line with the Code of Conduct;
- 4.8 To ensure the Board members continuously update their skills and knowledge to effectively discharge their duties;
- 4.9 To promote constructive and respectful relations of all Board members and also amongst management; and
- 4.10 To seek appropriate professional advice at the expense of the Company when he or she considers this necessary in the furtherance of his duties.

## **5. Chief Executive Officer (CEO)**

- 5.1 The CEO is responsible for the vision and strategic directions of the Group as well as initiating innovative ideas to create competitive edge and development of business and corporate strategies.
- 5.2 The CEO has the executive responsibility for the day-to-day operation of the Company's business.
- 5.3 The CEO is assisted by Executive Directors to implement the policies, strategies and decisions adopted by the Board.
- 5.4 All Board authorities conferred on the Management is delegated through the CEO and this will be considered as the CEO's authority and accountability as far as the Board is concerned.

## **6. Non-Executive Directors**

The role of Non-Executive Directors is as follows:

- 6.1 To act in good faith and in the best interests of the Company at all times;
- 6.2 To regularly update and refresh skills, knowledge and familiarity with the company;
- 6.3 To advise, support and challenge Management;
- 6.4 To ensure necessary activities are undertaken to review the effectiveness of the risk management and internal control systems;
- 6.5 To avoid any conflict of interest;
- 6.6 To determine the appropriate levels of remuneration of executive directors; and
- 6.7 To appoint executive directors and to participate in the succession planning.

## **7. Senior Independent Directors**

- 7.1 The Senior Independent Director should be a Non-Executive Director who is determined by the Board to be independent.

- 7.2 The Chairman of the Nomination Committee and Audit Committee is the Senior Independent Director.
- 7.3 To be available to shareholders in case they have concerns which cannot, or should not, be addressed by the Chairman or Executive Directors.

## **8. Company Secretary**

- 8.1 The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.
- 8.2 The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance matters.
- 8.3 The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.
- 8.4 The Company Secretary should advise Directors of their obligations to adhere to matters relating to:
  - 8.4.1 disclosure of interest in securities
  - 8.4.2 disclosure of any conflict of interest in a transaction involving the Company
  - 8.4.3 prohibition on dealing in securities
  - 8.4.4 restriction on disclosure of price-sensitive information.
  - 8.4.5 The Company Secretary must keep abreast of, and inform, the Board of current governance practices.
- 8.5 The Board members have unlimited access to the professional advice and services of the Company Secretary.

## **9. Board Committees**

- 9.1 The Board appoints the following Board Committees with specific terms of reference:
  - 9.1.1 Audit Committee - The terms of reference of the Audit Committee is attached as Appendix A of this Charter.
  - 9.1.2 Nomination Committee - The terms of reference of the Nomination Committee is attached as Appendix B of this Charter.
  - 9.1.3 Remuneration Committee - The terms of reference of the Remuneration Committee is attached as Appendix C of this Charter.
  - 9.1.4 Risk Management Committee - The terms of reference of the Risk Management Committee is attached as Appendix D of this Charter.
- 9.2 Independent and Non-Executive Directors play a leading role in these Committees. The Management and third parties are co-opted to the Committees as and when required.

## **10. Board Meeting**

- 10.1 The Board meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings
- 10.2 The Board receives documents on matters requiring its consideration prior to and in advance of each meeting.
- 10.3 During the meetings, the Board is briefed by the Chief Executive Officer and Executive Directors on the performance of the Group. All proceedings from Board meetings are recorded and the minutes thereof signed by Chairman of the meeting.
- 10.4 The Board may invite external parties such as auditors (both internal and/or external auditors), solicitors or consultants as and when the need arises. Such invited parties may attend part or all of the Board Meeting at the discretion of the Board.

## **11. Director's Remuneration**

- 11.1 The Remuneration Committee shall be responsible for developing the remuneration policy and determining the remuneration packages for Executive Directors of the Company.
- 11.2 The Company's policy on Directors' remuneration is to attract and retain the Directors of calibre needed to manage the business of the Company and to align the interest of the Directors to those of the shareholders.
- 11.3 The determination of the remuneration of each Non-Executive Director is decided by the Board as a whole, with individual Directors abstaining from decisions in respect of their individual remuneration.
- 11.4 The Company pays each Non-Executive Directors an annual fee, which is approved by the shareholders at the Annual General Meeting. The Board, as a whole, determines the remuneration of the Executive Directors, with the individual Directors concerned abstaining from decision in respect of their individual remuneration.

## **12. Financial Reporting**

### **12.1 Transparency**

- 12.1.1 The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcement of the results to shareholders and the Chairman's statement in the Annual Report.
- 12.1.2 The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.



12.1.3 The Company's practice is to announce to Bursa Securities its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period.

## 12.2 Company Auditors

12.2.1 The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company Auditors through its Audit Committee.

12.2.2 The Audit Committee also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company Auditors. The Company ensures that the Company Auditors do not supply a substantial volume of non-audit services to the Company.

12.2.3 Appointment of the Company Auditors is subject to approval of shareholders at General Meetings. The Company Auditors have to retire during the AGM every year and be re-appointed by shareholders for the ensuing year.

## 12.3 Internal Controls and Risk Management

12.3.1 The Company has a well-resourced internal audit function, which critically reviews all aspects of the Company's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis. The Head of Internal Audit has direct access to the Board through the Chairman of the Audit Committee.

12.3.2 The Board ensures the system of internal controls is reviewed on a regular basis.

12.3.3 The Audit Committee receives reports regarding the outcome of such reviews on a regular basis.

## **13. Communication with Shareholders**

13.1 The Company regards the AGM as an important event in the corporate calendar of which all Directors and key senior executives should attend.

13.2 The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.

13.3 The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.

13.4 The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.

## APPENDIX A

### AUDIT COMMITTEE – TERMS OF REFERENCE

#### OBJECTIVES

The principal objective of the Committee is to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the Company and each of its subsidiaries. In addition, the Committee shall:

- a. oversee and appraise the quality of the audit conducted by the internal and external auditors;
- b. oversee compliance with laws and regulations and observance of a proper code of conduct; and
- c. determine the adequacy of the control environment of the Group.

#### COMPOSITION

The Committee shall be appointed by the Board from among their number (pursuant to a resolution of the Board of Directors) and shall consist of not less than three (3) members, all the members must be Non-Executive Directors, with majority of whom shall be Independent Non- Executive Directors and at least one of whom shall be:

- a. a member of the Malaysian Institute of Accountants (“MIA”) o
- b. if the Director is not a member of the MIA, the Director must have at least three (3) years of working experience and:
  - the Director must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967, or
  - the Director must be a member of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
  - fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad (“Bursa Securities”).

No former audit partner of the Group’s external auditors shall be appointed to the Committee unless he/she has observed a cooling-off period of at least two (2) years before being appointed as a member of the Committee.

If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months of the event appoint such number of new members as may be required to fill the vacancy.

The Chairman of the Committee shall be an Independent Non-Executive Director. No alternate Director of the Board shall be appointed as a member of the Committee.

The Board shall review the terms of office and performance of the Committee and each of its members at least once every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

## **MEETINGS**

The Committee will meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties. Where relevant and appropriate, the internal auditor and representatives of the external auditors shall normally be invited to attend meetings. The external auditors or any member of the Committee may request a meeting if they consider one necessary.

The Committee shall meet at least twice a year with the external auditors without the presence of any Executive Director of the Board. The Committee may, as and when deemed necessary, invite other Board members and senior management members to attend the meetings.

The Company Secretary shall be responsible, with the concurrence of the Chairman, for preparing and circulating the Agenda and the Notice of Meeting, together with supporting explanatory documentation to members of the Committee prior to each meeting. The minutes of each meeting shall be kept and distributed to members of the Committee and the Board of Directors.

A quorum shall be three (3) members present and a majority of whom must be Independent Directors.

The Committee shall regulate the manner of proceedings of its meetings, having regard to normal conventions on such matter.

## **AUTHORITY**

The Committee is authorised by the Board:

- a. to investigate any matter within its terms of reference;
- b. to have the resources in order to perform its duties as set out in its terms of reference;
- c. to have full and unrestricted access to any information pertaining to the Company and the Group;
- d. to have direct communication channels to the internal and external auditors;
- e. to obtain, at the expense of the Company, external legal or other independent professional advice if it considers necessary; and
- f. to meet with the external auditors, excluding the attendance of the executive members of the Committee, whenever deemed necessary.

## ***DUTIES***

The duties of the Committee are:

- a. to recommend to the Board the nomination of a person or persons as external auditors and the audit fees thereof;
- b. to make appropriate recommendations to the Board on matters of resignation or dismissal of the external auditors;
- c. to consider whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment;
- d. to discuss with the external auditors before the audit commences, the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved;
- e. to review with the external auditors, their evaluation of the system of internal controls;
- f. to review the assistance given by the employees of the Company to the external auditors;
- g. to review the quarterly and year-end financial statements of the Company and the Group before submission to the Board of Directors, focusing particularly on:
  - any changes in or implementation of major accounting policies;
  - significant matters highlighted including financial reporting issues, significant judgement made by management, significant and unusual events or transactions, and how these matters are addressed;
  - significant adjustments arising from the audit;
  - the going concern assumption; and
  - compliance with accounting standards and other legal requirements.
- h. to discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors, the internal auditors or both, may wish to discuss, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary;
- i. to review the external auditors' management letter and management's response thereto;
- j. to establish the following with the internal auditor:
  - review adequacy of scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;
  - review any appraisal or assessment of the performance of members of the internal audit function; and
  - approve any appointment or termination of senior staff members associated with the internal audit function and to provide opportunity for the resigning staff member to submit his reasons for resigning.

- k. to consider any related party transactions and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of management integrity;
- l. to review the effectiveness of internal control system;
- m. to consider the major findings of internal investigations and management's response; and
- n. any such other functions as may be authorised by the Board.

### ***REPORTING PROCEDURES***

The Chairman of the Committee shall report on each meeting to the Board. The Committee shall prepare reports, at least once a year, to the Board summarizing the Committee's activities during the year in discharge of its duties and responsibilities and the related significant results and findings.

Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Bursa Securities Listing Requirements, the Committee shall promptly report such matter to Bursa Malaysia.

## **APPENDIX B**

### **NOMINATING COMMITTEE – TERMS OF REFERENCE**

#### ***Objectives***

The Nominating Committee of **PGF CAPITAL BERHAD** was formed by the Board on 25 January 2006. Its primary function, in line with the Malaysian Code on Corporate Governance, is to assist the Board in the following areas:

- a. Proposing new nominees for the Board; and
- b. Assessing the effectiveness of Directors.

#### ***Membership***

The membership of the Committee shall comprise exclusively Non-Executive Directors and number two in total.

The Chairman of the Committee shall be a Non-Executive Director appointed by the Board.

The majority of the members of the Committee shall comprise Independent Non-Executive Directors.

#### ***Meetings***

The Committee shall meet at least once a year. More meetings may be conducted if the need arises. The quorum for a meeting of the Committee shall be two (2) members, present in person.

#### ***Secretary***

The Secretary of the Company shall be secretary of the Committee.

#### ***Advisers***

The Committee is authorised by the Board to seek appropriate professional advice inside and outside the PGF Capital Berhad's Group as and when it considers this necessary.

#### ***Duties***

The duties of the Committee shall be to:

- Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board. In making the recommendations, the Committee will also consider candidates proposed by the Chief Executive Director and, within the bounds of practicability, by any other senior executive, Director or shareholder;

- Recommend to the Board, Directors to fill the seats on Board Committees;
- Review annually the required mix of skills and experience of the Board, including the core competencies which Non-Executive Directors should bring to the Board;
- Assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director; and
- Assess annually the effectiveness and performance of Executive Directors.

### ***Minutes of meetings***

The Secretary of the Committee shall keep the minutes of meetings and copies thereof shall be circulated to all members of the Board.

## **APPENDIX C**

### **REMUNERATION COMMITTEE – TERMS OF REFERENCE**

#### ***Objective***

The Remuneration Committee (the “Committee”) of **PGF CAPITAL BERHAD** was formed by the Board on 25 January 2006. The main objective of the Committee is to recommend to the Board the remuneration of Executive Directors of PGF Capital Berhad.

#### ***Membership***

The members of the Committee shall comprise wholly or mainly of Non-Executive Directors and number at least two in total.

The Chairman of the Committee shall be a Non-Executive Director appointed by the Board.

#### ***Secretary***

The Secretary of the Company shall be the secretary (the “Secretary”) of the Committee.

#### ***Attendance***

The Chief Executive Officer (if he is not appointed a member of the Committee) may be invited to attend meetings to discuss the performance of other Executive Directors and make proposals, as necessary. Executive Directors should play no part in decisions on their own remuneration.

The Committee may appoint external consultants, if deemed expedient, to assist the Committee in the discharge of its duties.

#### ***Frequency of meetings***

Meetings shall be held at least once a year. More meetings may be convened when the need arises. The quorum for a meeting of the Committee shall be at least two (2) members, present in person. Where an Executive Director is appointed a member of the Committee, the quorum for a meeting of the Committee shall at least be two (2) members who are non-Executive Directors.

#### ***Advisers***

The Committee is authorised by the Board to seek appropriate professional advice inside and outside of PGF Capital Berhad’s Group as and when it considers this necessary.



***Duties***

The duties of the Committee shall be to recommend to the Board the remuneration of Executive Directors in all its forms.

***Minutes of meetings***

The Secretary shall keep all minutes of meetings of the Committee and copies thereof shall be circulated to all members of the Board.

## **APPENDIX D**

### **RISK MANAGEMENT COMMITTEE – TERMS OF REFERENCE**

#### ***Objective***

To ensure that a risk management framework is embedded throughout **PGF CAPITAL BERHAD** and its subsidiaries;

To ensure that the risk management framework is consistently adopted throughout the Group and is within the parameters established by the Board; and

To ensure compliance with external requirements such as the Bursa Malaysia Securities Berhad's Statement of Internal Control - Guidance for Directors of Public Listed Companies.

#### ***Authority & Scope***

Whilst the Board still retains ultimate responsibility for risk management and for determining the appropriate level of risk appetite, a Risk Management Committee ("RMC") is established to assist the Board in providing assurance concerning the Group's risk profile to the Board.

The Board has delegated authority to RMC with a remit that encompasses risk management activities within the Group including compliance with the risk management strategy.

The RMC reports to the Board.

#### ***Composition***

The RMC shall be appointed by the Board and shall comprise not fewer than five (5) members, out of which at least two (2) members shall be members of the Board of Directors.

The membership of the RMC should be approved by the Board and include a mixture of risk and business management knowledge and experience.

The members of the RMC shall elect a Chairman from amongst their number. The Chairman of the Risk Management Committee shall be a non-executive director and approved by the Board of Directors.

In the event of any vacancy in the RMC resulting in the number of members being reduced to below five (5), the Board shall, within three (3) months fill the vacancy.

#### ***Minutes & meetings***

The RMC shall meet at least half yearly. However, additional meetings may be called at any time at the RMC Chairman's discretion.

The quorum for the meeting shall be three (3) members.

The Human Resource And Admin Manager shall act as Secretary of the RMC and shall be responsible, with the concurrence of the Chairman of the RMC, for drawing up and circulating the agenda and notice of meetings together with supporting explanatory documentation to all RMC members at least five (5) days prior to each meeting. If there is unanimous consent by members of the Board present in the meeting, a short notice shall suffice.

The minutes of each Committee meeting shall be circulated to the Committee members and presented to the Board for its review.

### ***Roles & responsibilities***

To review and discuss with management the Company's risk governance structure, risk assessment and risk management practices and the guidelines, policies and processes for risk assessment and risk management.

To review and discuss with management the Company's risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, product risk and operational risk, as well as guidelines, policies and processes for monitoring and mitigating such risks.

To ensure that appropriate reporting and feedback is received from management with regards to risk management activities carried out and report back to the Board with regards to Company risk profile.