



This Charter was approved by the Board of Directors of SICOM Financial Services Ltd (the **Company**) at the 81st Board meeting held on 28 February 2023.

1. Purpose

The primary function of the Risk Management Committee (hereinafter referred to as the **Committee**) is to assist the Board of Directors in fulfilling its oversight responsibilities related to Risk Management, more particularly to:

- Advising the Board on the Company's current and future risk appetite.
- Overseeing senior management's implementation of risk management framework.
- Reporting on the state of risk culture within the Company.

2. Membership

- 2.1 The Committee shall comprise of at least three independent directors and, with the exception of the Group Chief Executive Officer, the Committee members will be non-executive directors of whom a reasonable number must have an adequate familiarity with risk management.
- 2.2 The Board shall appoint a Chairperson from the independent non-executive members of the Committee.
- 2.3 The Chairperson of the Board and the Group Chief Executive Officer shall not be eligible to be appointed as Chairperson of the Committee.
- 2.4 The Board shall have the power at any time to remove any members from the Committee and to fill any vacancies created by such removal.
- 2.5 Only members of the Committee have the right to attend Committee meetings. However, the Committee may invite other persons to attend all or part of any meeting, as deemed necessary and appropriate.

3. Secretary

- 3.1 The Company Secretary shall act as the secretary of the Committee.

4. Quorum

- 4.1 The quorum necessary for the transaction of business shall be a majority of members.



5. Frequency of meetings

- 5.1 The Committee shall meet at least four (4) times a year at appropriate intervals in the financial reporting and audit circle and otherwise as required.

6. Notice of meetings

- 6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chairperson or any of its members or at the request of the Risk Officer if they consider it necessary.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers, shall be sent to Committee members and any other attendees before the date of the meeting.

7. Minutes of meetings

- 7.1 The secretary shall minute the proceedings of all Committee meetings, including the names of those present and in attendance.
- 7.2 After the minutes are approved and signed by the Chairperson, these will be circulated to all members of the Board.

8. Written Resolution

- 8.1 Decisions may also be taken by way of written resolutions signed by all members of the Committee.

9. Annual Meeting of Shareholders

- 9.1 The Committee chairperson shall attend the Annual Meeting of Shareholders to answer any shareholder questions on the Committee's activities.

10. Terms of Reference

Internal Controls and Risk Management Systems

The Committee shall:

- Keep under review the adequacy and effectiveness of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems.
- Support the Risk Officer by understanding key risks the organization has assumed and overseeing the management of these risks.



- Review the risk philosophy, strategy and policies recommended and consider reports.
- Ensure compliance with such policies and with the overall risk profile.
- Review the management of current and emerging risks.
- Provide guidance on areas of focus.
- Propose risk appetites and risk limits for key risks to the Board of Directors.
- Focus on risk identification, measurement, mitigation controls, monitoring and management processes.
- Ensure appropriate methodologies and systems are in place to identify and adequately assess and manage/mitigate operational risks.

11. Reporting responsibilities

- 11.1 The Committee chairperson shall report to the Board on its proceedings.
- 11.2 The Committee shall make recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

12. Other matters

The Committee shall:

- 12.1 Have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required.
- 12.2 Work and liaise as necessary with all other Board Committees.
- 12.3 Arrange for periodic reviews of its own performance and, as and when required, review its charter to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

13. Authority

- 13.1 The Committee is authorised by the Board to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.