

Assessment Topic 6: Risk Management & Sustainability Committee Assessment

The Risk Management & Sustainability Committee (“RMSC”) Assessment will be facilitated via the use of RMSC Assessment Form, with assessment criteria for self-assessment by each RMSC member. The RMSC Assessment Form contains the following areas of assessment:

- Section A: Composition and governance;
- Section B: Meeting administration and conduct;
- Section C: Skills and competencies;
- Section D: The duties and responsibilities of the RMSC;
- Section E: Disclosure; and
- Assessment questions relevant to the Chairman of the Risk Management & Sustainability Committee

The questionnaire should be completed using the grading system of “Satisfactory”, “Good” or “Excellent”, represented by ‘S’, ‘G’ and ‘E’ respectively.

The criteria for the RMSC Assessment Form were customised to meet the needs of Duopharma. The assessment criteria for the RMSC Assessment are summarised as follows:

Assessment criteria <i>(Note: additional comments can be included beside the grading)</i>	Grading
Section A: Composition and governance	
1. Does the composition of the RMSC allow for RMSC members to exercise objectivity and independence in performing their duties and responsibilities?	
2. Has the RMSC undertake measures to co-ordinate with the AIC in order to prevent overlaps in the duties and oversight responsibilities of the RMSC and AIC? <i>For this question, please provide comments below.</i>	
Comments:	

Assessment criteria <i>(Note: additional comments can be included beside the grading)</i>	Grading
Section B: Meeting administration and conduct	
3. Are the meeting minutes of the RMSC meetings complete, accurate and circulated in a timely manner? Does the minutes reflect the key elements of debates, details of recommendations and agreed-upon follow-up actions?	
4. Does the RMSC seek independent professional advice as required to perform its roles and responsibilities and invite persons with relevant experience to attend its meetings, if necessary?	
Section C: Skills and Competencies	
5. Do the RMSC members exhibit appropriate understanding of risks relevant to the pharmaceutical industry, and have a diversity of knowledge and expertise required to perform the RMSC's duties and responsibilities?	
Section D: The duties and responsibilities of the RMSC	
6. Does the RMSC adequately incorporate strategy and corporate culture considerations in setting the risk appetite or risk tolerance level of the Company?	
7. Is the risk management framework sufficiently robust to promote an integrated approach to evaluate, monitor and manage interrelated risks (i.e. does the framework capture both quantitative and qualitative elements of the various risks in an integrated manner?) Is the framework reviewed by the RMSC on a regular basis and kept contemporary with developments of Duopharma, its industry and the economic environment? <u>Explanatory note:</u> The exposure to nuanced risks such as reputational risks is often overlooked and not integrated as part of a company's risk management framework, ultimately to a company's detriment.	
8. Does the RMSC timely escalate/make recommendations to the Board and the Board Committee on risk-related matters that may affect the Company	
Section E: Disclosure	
9. Is there a disclosure on the features and effectiveness of Duopharma's risk management and internal control framework? <i>For this question, please provide comments below.</i>	

Assessment criteria <i>(Note: additional comments can be included beside the grading)</i>	Grading
<p>Explanatory note: As stated in Guidance to Practice 9.2 of MCCG, the board should disclose whether it has conducted an annual review and periodic testing of the company's internal control and risk management framework, including any insights gained and any changes made to these frameworks as a result. The disclosure should also include a discussion on how key risk areas were evaluated. Where information is commercially sensitive and may give rise to competitive risk, disclosure in general terms is acceptable</p> <p>Comments:</p>	
<p>10. Does the RMSC report/disclosure clearly set out the composition of the RMSC, summary of the RMSC's TOR, number of meetings held in a year and a section describing Duopharma's risk management framework?</p> <p>Comments:</p>	
Additional Comments	

Assessment questions relevant to the Chairman of the Risk Management & Sustainability Committee:

Assessment criteria <i>(Note: additional comments can be included beside the grading)</i>	Individual Director's grading (self-assessment, including by the Chairman)
<p>11. The RMSC Chairman establishes and maintains a good working relationship with the Managing Director and Senior Management team as well as the Executive Risk Management Committee and the Group Risk Management Department including providing support and advice whilst respecting executive responsibilities.</p>	
<p>12. The RMSC Chairman collaborates and streamlines all key decision-making on risk related matters with other relevant Board Committees and advises the Board appropriately to ensure that the Company does not engage in asymmetrical and excessive risk-taking activities.</p>	