

**TERMS OF REFERENCE OF RISK MANAGEMENT & SUSTAINABILITY COMMITTEE**

**Constitution**

The Board of Directors (Board) should establish a Risk Management & Sustainability Committee with its terms of reference defining its scope of responsibilities and duties. The Board shall review the terms of reference and update as and when necessary. Any proposed changes to the terms of reference shall be approved by the Board.

**Objective**

The primary objective of the Risk Management & Sustainability Committee is to assist the Board on identification, evaluation and manage the significant of risks associated to current business, any new investments and/or divestments and control responsibilities with appropriate action plan and ensures the implementation of appropriate systems to manage the overall risk exposure to safeguard shareholders' investments and the Group's assets. The Committee also assists the Board to fulfil its oversight responsibilities in relation to risk management and the Company's sustainability policies and practices.

**Authority**

The Risk Management and Sustainability Committee shall have the authority to deliberate and approve on matters within its primary duties and responsibilities set out in the terms of reference. The Committee is authorised by the Board to obtain professional and independent advice from external advisors with relevant knowledge and experience, as and when necessary for the performance of its duties.

**Composition**

The Risk Management & Sustainability Committee shall be appointed from among the Directors of the Company, all of whom must be Non-Executive Directors, with a majority of them being Independent Directors.

**Term of Office**

The Board of Directors of the Company shall review annually the term of office and performance of the Risk Management and Sustainability Committee and each of its Members, who are subject to re-appointment by the Board annually.

**Meetings and Minutes**

Meeting shall be held at least once a year and may be requested as and when necessary.

All division heads are invited to attend the meeting. The head of Internal Audit and the Company Secretary to the Committee shall be in attendance.

Quorum shall consist of a simple majority. In the absence of the Chairman, the Members present shall elect a Chairman for the meeting from among the Members present.

The Company Secretary shall be the Secretary of the Risk Management and Sustainability Committee or in his/her absence, another person authorised by the Chairman of the Committee. The Company Secretary is responsible for drawing up meeting agendas, maintenance of meeting minutes and collection and distribution of information and provision of any necessary practical support. The Chairman of the Risk Management & Sustainability Committee shall report on key issues discussed at meeting to the Board.

### **Circular Resolution**

A resolution in writing signed by a majority of the Risk Management and Sustainability Committee Members for the time being, shall be as valid as effectual as if it had been passed at a meeting of the Committee duly called and constituted. Any such resolution may consist of several documents in like form each signed by one or more of its Members. Any such document, may be accepted as sufficiently signed by the Members if transmitted to the Company by telex, telegram, cable, facsimile, other electronic means or digital written message purporting to include a signature of the Committee Members.

### **Duties and Responsibilities**

1. To oversee the risk management activities of the Group and approve appropriate risk management procedures and measurement methodologies across the organization;
2. To review reports on operational risks from all divisions of the Group;
3. To assess the risks in new investment and/or divestment;
4. To review the effectiveness of overall risk management at the divisional level;
5. To review and make recommendations to the Board in relation to risk management;
6. To monitor the risk management exposure of the Group;
7. To recommend or advise on significant proposed changes to risk management policies and strategies;
8. To review together with other Committees, the Management, Group Internal Audit and external auditors, any significant risks and exposure that exist and assess the steps that Management has taken to minimize such risk to the Group;
9. To assess whether the Group's risk management and sustainability policies are communicated effectively to ensure they are embedded as part of the Group's corporate culture;
10. To align the Group's sustainability strategy with its corporate strategy and values to ensure focused and effective effort;
11. To oversee management of material sustainability issues that may impact on the sustainability or reputation of the Group;
12. To monitor and report to the Board on the Group's progress on its sustainability commitments in the context of economic, environmental and social ("EES");
13. To review the Group's annual sustainability report/statement for submission to the Board for approval.