**PJBUMI BERHAD**
Registration No. 198501009089 (141537-M)
(Incorporated in Malaysia)

# TERMS OF REFERENCE FOR RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

## 1. Purpose

The Risk Management and Sustainability Committee ("RMSC") was established to assist the Board in reviewing the development of risk management framework, align with business and operations requirements which supports the maintenance of a strong control environment.

## 2. MEMBERSHIP

2.1 The RMSC shall be appointed by the Board of Directors amongst the Directors of the Company.

2.2 The RMSC shall comprise at least three (3) members comprises a majority of Non-Executive Directors.

2.3 No alternate director shall be appointed as an RMSC member.

2.4 The appointment of RMSC member shall automatically be terminated if the member ceases for any cause to be a director, or as determined by the Board.

2.5 The RMSC Chairman shall be a Non-Executive Director appointed by the Board, who is not the Chairman of the Board, and acts as the key contact between RMSC and Board members as well as Management and the Internal/External Auditors.

2.6 In the absence of the RMSC Chairman at the Committee meeting or if he/she is not present at any Committee meeting within (15) minutes of the appointed for holding the same, the other RMSC members present shall amongst themselves elect a Chairman to chair the meeting.

2.7 In the event of any vacancy in the RMSC resulting in the non-compliance of the composition of RMSC, the Board of Directors must within three (3) months of that event fill the vacancy.

2.8 The terms of office and performance of the RMSC and each of its members must be reviewed by the Board of Directors through the Nominating Committee ("NC") of the Company annually to determine whether the RMSC members have carried out their duties in accordance with their terms of reference. All such assessments shall be properly documented.

2.9 The RMSC members shall undertake continuous professional development training to keep themselves abreast of relevant developments in risk management and environmental, social and governance ("ESG") aspects.

## 3. MEETINGS

3.1 Meetings shall be held at least once a year. Additional meetings may be called at any time, at the discretion of the RMSC members consider necessary or appropriate.

3.2 The RMSC meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables all persons to participate for the entire duration of the meeting. The technology to be used for the purpose of the meeting must be such that all persons taking part in the meeting must be able to communicate simultaneously with each of the other persons taking part in the meeting and may include telephone, television, video conferencing or any other audio and/or visual device which permits instantaneous communication.

3.3 A quorum of the meeting shall consist of two (2) members.

3.4 The agenda, together with the relevant support papers, shall be circulated no later than seven (7) calendar days, or shorter notice where it is unavoidable prior each meeting to the members of the Committee.

3.5 The Committee may, as and when deemed necessary, invite any Board members, member of management, representative of the Internal Auditors or consultants, who the Committee thinks fit, to attend its meetings to assist and provide pertinent information as necessary.

3.6 A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes. In the event of an equality of votes, the Chairman has the casting vote.

3.7 A member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall abstain from deliberating and voting

3.8 The Company Secretary shall be the Secretary of the RMSC or in his/her absence, another person authorised by the RMSC Chairman.

3.9 The Company shall cause minutes of all proceedings of the Committee meeting to be entered in books for that purpose. Minutes of each meeting signed by the Chairman of the meeting at which proceedings were held or by the Chairman of the next succeeding meeting.

3.10 The RMSC Chairman, shall report a summary of significant matters to the Board at the next Board meeting after each RMSC meeting.

## 4. Circular Resolution

4.0 A resolution in writing signed or approved via any electronic means or any other means by the RMSC members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting.

4.1 All such resolutions shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one or more members.

## 5. RIGHTS

The RMSC in performing its duties must in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:

a) have the resources which are required to perform its duties;
b) have full and unrestricted access to all information and documents within the Group which are required to perform its duties;
c) have direct communication channels with the Internal Auditors and person(s) carrying out the internal audit function or activity;
d) obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary; and
e) convene meetings with the Internal Auditors, external advisers and/or the person(s) carrying out the internal audit function or activity or both, excluding the attendance of Directors and Management, whenever deemed necessary.

## 6. RESPONSIBILITIES AND DUTIES

a) Assist the Board in fulfilling its oversight responsibilities in relation to the risk management in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and Malaysian Code on Corporate Governance ("MCCG") and Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers and/or any other regulatory requirements.
b) Review and provide oversight of the Company's significant risks and regards risk management as an integrated part of the operations and processes of the Company to maintain a sound risk management system and internal controls to safeguard shareholders' interest and the Groups' assets.
c) Oversee the development, implementation and execution of the risk management framework and processes in identifying, assessing, managing and monitoring the risks of the Company and its subsidiaries.
d) Review and assess the Group's sustainability strategies, policies and standards in relation to ESG including matters such as safety, health, employment, human rights, community affairs and other pertinent sustainability issues of the Group.
e) Review the implementation of the Group's Sustainability matters.
f) Review the Company's Sustainability Report and any other specific reports (if any) prior to recommendation to the Board for approval.

## 7. REVIEW OF THE TERMS OF REFERENCE ("TOR")

7.1 The RMSC shall recommend any changes to its TOR in such manner as the RMSC deems appropriate to the Board for approval.

7.2 The TOR shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code on Corporate Governance, Listing Requirements or any other regulatory requirements.

7.3 It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may impact on the discharge of the Committee's responsibilities.