

SUPERMAX CORPORATION BERHAD

**RISK MANAGEMENT & ENVIRONMENTAL,
SOCIAL AND GOVERNANCE COMMITTEE**

TERMS OF REFERENCE

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SUPERMAX CORPORATION BERHAD

[199701004909 (420405-P)]

(Incorporated in Malaysia)

RISK MANAGEMENT & ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

TERMS OF REFERENCE

1. OBJECTIVES

- 1.1 The principal objective of the Risk Management & Environment, Social and Governance (ESG) Committee ("RMESGC") is to assist the Board of Directors ("Board") in its responsibilities to identify, assess and monitor key business risks to safeguard shareholders' investments and the Company's assets as well as to assist the Board in promoting a sustainable strategy and initiatives of the Company in relation to ESG matters.
- 1.2 The RMESGC shall also ensure the sustainability strategies, initiatives, targets and performance against these targets are communicated to the Company's internal and external stakeholders and assist the Board to stay abreast with sustainable issues relevant to the Company's business, including climate-related risks and opportunities.

2. COMMITTEE COMPOSITION

- 2.1 The Board shall elect the RMESGC members from among themselves, comprising not less than three (3) Non-Executive Directors, a majority of whom must be Independent Non-Executive Directors.
- 2.2 In the event of any vacancy in the RMESGC resulting in the non-compliance of the above, the Company shall within three (3) months of that event appoint such number of new members as may be required to comprise the minimum number of members.

3. CHAIRMAN

- 3.1 The Chairman of the RMESGC shall be elected from among the RMESGC members. The Chairman of the RMESGC shall be an Independent Non-Executive Director and approved by the Board.

4. SECRETARY

- 4.1 The Secretary of the RMESGC shall be the legal manager of the Company or such substitute as appointed by the Directors from time to

time shall act as the secretary of the RMESGC during the terms of his/her appointment.

5. TERM OF OFFICE

- 5.1 The Board shall review annually the term of office and performance of the RMESGC and each of its members, who are subject to re-appointment by the Board annually.

6. MEETINGS

- 6.1 The RMESGC may meet for the dispatch of business and regulate their meetings, every half-yearly and as at such other time(s) as may be necessary to fulfil its responsibilities.
- 6.2 Notice of RMESGC meeting and meeting materials shall be given to all RMESGC members and other relevant parties at least five (5) business days, or a shorter period where unavoidable, prior to the meeting. Invitation to attend all or part of the meeting may be extended to any person(s) as determined by the Chairman.
- 6.3 In the absence of the Chairman or if he is not present at any RMESGC meeting within fifteen (15) minutes of the time appointed for holding the same, the RMESGC members present shall elect one (1) of their members, who must be independent, to chair the meeting.
- 6.4 Questions arising at any meeting of the RMESGC must be determined by a majority of votes of the members present, and in the case of an equality of votes, the Chairman has a casting vote. The Chairman shall not have a casting vote when only two (2) members (one of whom is the Chairman) form a quorum or when only two (2) members are competent to vote on the question at issue.
- 6.5 A RMESGC meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enable the RMESGC members as a whole to participate for the entire duration of the meeting. The technology used for the purpose of this paragraph must be such that each RMESGC member taking part in the meeting must be able to communicate simultaneously with each of the other RMESGC members taking part in the meeting and may include telephone, television, video conferencing or any other audio and/or visual device which permits instantaneous communication.
- 6.6 A virtual meeting shall be deemed to constitute a RMESGC meeting provided the following conditions are met: -
- (a) all the RMESGC members for the time being entitled to receive notice of the RMESGC meeting shall be entitled to receive notice

of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as may be permitted under the Constitution of the Company; and

- (b) a RMESGC member shall not leave the meeting by disconnecting from the technology used unless he/she has notified the Chairman of the meeting of his/her intention to leave the meeting and a RMESGC member shall be presumed to have been present and to have formed part of the quorum at all times during such a meeting until such notified time of his/her leaving the meeting.

7. MINUTES

- 7.1 Minutes of each meeting shall be kept at the Corporate Office and circulated to each member of the RMESGC.
- 7.2 The draft minutes of each meeting shall be circulated to the RMESGC members within 14 days of the date upon which the relevant meeting was held.
- 7.3 The minutes of the RMESGC meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

8. REPORTING

- 8.1 The Chairman of RMESGC shall report to the Board the proceedings, findings, and recommendations of each RMESGC meeting.

9. QUORUM

- 9.1 The quorum necessary for the transaction of business by the Committee shall be two (2) members, one (1) of whom shall be an Independent Non-Executive Director.

10. WRITTEN RESOLUTION

- 10.1 A resolution in writing signed by a majority of the RMESGC members for the time being shall be as valid and effectual as if it had been passed at a meeting of the RMESGC duly called and constituted. The execution and transmission of the written resolution by electronic means allowed under the Constitution of the Company shall apply to the written resolution of the RMESGC.

11. AUTHORITY AND POWER OF THE RMESGC

11.1 In carrying out its duties, the RMESGC shall have the following power and authority, in accordance with a procedure or process to be determined by the Board and at the cost of the Company: -

- (a) have explicit authority to investigate any matter within its Terms of Reference, the resources together with full and unrestricted access to all information and documents within the Group to perform its duties. All employees shall be directed to co-operate as requested by members of the RMESGC; and
- (b) shall be entitled to seek external professional advice and services if the RMESGC considers it to be necessary in the discharge of its responsibilities and invite persons with relevant expertise and knowledge to attend its meetings and to brief the RMESGC where it deemed necessary.

12. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the RMESGC shall include the following: -

12.1 With regard to risk management matters: -

- (a) Provide oversight, guidance and direction to the Group's risk management function and processes.
- (b) Review and monitor the Group's Risk Management Framework, policies and procedures and activities.
- (c) Report to Board regarding the Group's risk exposures.
- (d) To review with Top Management and Internal Audit Department, and carry out an evaluation of the independence and overall effectiveness of the governance, risk management and internal control framework of the Company, with regards:
 - The key guidelines and policies governing the Group's significant processes for management of enterprise risk and including risk assessment and risk management;
 - The validity of the identified risks and ensuring that appropriate actions are taken to mitigate the risks;
 - The adequacy of infrastructure, resources and system for risk management, the staff responsible for implementing risk management system perform those duties efficiently and effectively;

- The Company's Anti-Bribery and Anti-Corruption Policy framework and whistle-blowing processes in line with best practices;
- To review the Annual Statement of Risk Management and Internal Control to be published in the Annual Report; and
- To consider and examine such other matters as the RMESGC considers appropriate or prescribed by the Board.

12.2 With regard to environmental, social and governance matters: -

- Monitor the implementation of ESG including corporate governance practices is consistent with the sustainability risks and corporate governance policies and practices approved by the Board and guided by the applicable laws and regulations.
- Review and monitor policies and practices of the Company in respect of compliance with the law and regulatory requirements.
- Review the governance and effectiveness of the environmental and social impact into the Company's operations, policies, practices and product development.
- Consider and recommend to the Board on relevant emerging sustainability issues.
- Review and recommend the Group's Sustainability Report.
- Review and recommend the Company's Corporate Governance Overview Statement, Corporate Governance Report and other statements by the Company on Corporate Governance.

13. REVIEW OF THE WRITTEN TERMS OF REFERENCE

- Any amendment to these Terms of Reference can only be approved by the Board. These Terms of Reference will be reviewed and updated periodically in accordance with the needs of the Company and any new regulatory requirements that may have an impact on the discharge of the RMESGC's responsibilities.
- The written terms of reference should be made public in the Company's website.

Last reviewed on 21 October 2022