



Appendix F

BOARD RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE (“BRMSC” or “COMMITTEE”)

(Revised pursuant to a resolution of the Board on 11 March 2022)

(TERMS OF REFERENCE)

(A) Purpose

- (1) This terms of reference formalises the establishment of the BRMSC and its roles in assisting the Board to oversee risk, risk management and sustainability activities and the inculcation of risk culture across the Group, comprising the Company and its subsidiaries.
- (2) The BRMSC oversees all aspects of risk and sustainability management and its initiatives, including strategic, financial, operational, reputational and compliance matters.
- (3) The BRMSC has the power delegated by the Board to set risk appetite for Board’s endorsement, approve risk management and sustainability framework, review policies and procedures for managing risks, and accept risks beyond the approved discretion provided to Management. In all instances, the Board is kept apprised of the status of risk and sustainability management, including their initiatives, by the Committee and has the power to override decisions made by the Committee.
- (4) The BRMSC is responsible for governance of sustainability, including setting the sustainability strategies, priorities and targets, together with the Management and staying abreast and understand the sustainability issues relevant to the Group and its business, including sustainability risks and opportunities.
- (5) The BRMSC ensures the Group’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to the stakeholders.

(B) Membership

- (1) The BRMSC shall comprise at least three (3) members, a majority of whom shall consist of Independent Directors.
- (2) The BRMSC members shall be appointed by the Board, in consultation with the Nominating and Remuneration Committee.
- (3) The Board shall appoint the BRMSC Chairman.
- (4) In the event of any vacancy in the BRMSC resulting in the number of members being reduced to below three (3), the Board shall, in consultation with the Nominating and Remuneration Committee, within three (3) months fill the vacancy.
- (5) The authority and terms of reference of the BRMSC may be terminated or amended by the Board.



(C) Authority

- (1) The existence of the BRMSC does not relieve the Executive Director members of the Committee (if any) of their individual responsibility for sustainability, internal controls and risk management, and the Board remains responsible at all times for reviewing the effectiveness of the same notwithstanding the delegation of authority for deliberation and responsibility of overseeing risk and sustainability management to the BRMSC.
- (2) The BRMSC is authorised by the Board to:
 - (a) investigate, or cause to be investigated, any activity within its terms of reference;
 - (b) seek any information that it requires from any employee of the Group and require all employees to co-operate with any request made by the Committee;
 - (c) obtain at the Group's expense outside legal or independent professional advice and such advisors may at the invitation of the Committee attend meetings as necessary; and
 - (d) delegate any of its duties as is appropriate to such persons or person as it thinks fit.

(D) Functions

The functions of the BRMSC shall be, amongst others, to:

- (1) Review and, where appropriate, approve the Group's risk appetite and risk management and sustainability strategy with the Board's endorsement; review the risk policies for consistency with the Group's risk appetite; approve any material changes to these policies; and review Management's actions, if any, required in response to changes in the risk profile and emerging or potential risks.
- (2) Review the design, adequacy and effectiveness of the risk management, internal control and sustainability framework in relation to the Group's activities; review the adequacy and quality of the risk management function; and review the effectiveness of risk and sustainability reporting based on key risk and sustainability indicators against targets on the Group level (including timeliness and risk events reported as well as status of sustainability initiatives and targets set).
- (3) Ensure that adequate risk assessment is undertaken for any projects or investments to be proposed to the Board, which is deemed strategic or significant, to facilitate an informed decision-making process.
- (4) Review the effectiveness of the Group's sustainability, internal control and risk management systems; and recommend, as appropriate, for the Board's endorsement of the Statement on Risk Management and Internal Control as well as the Sustainability Statement to be included in the Company's annual report.
- (5) Provide oversight of sustainability reporting – ensuring the effective identification, management and reporting of material sustainability matters (i.e. risks and opportunities) affecting the economic, environmental, social and governance aspects of the Group's businesses.
- (6) Assist the Board to integrate sustainability within key business strategies towards the collective achievement of sustainability goals across the Group.



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- (7) Review the adequacy and security of the Group's arrangements for its stakeholders to raise concerns about possible wrongdoing in financial reporting, non-financial reporting or other matters (e.g. health and safety, data governance and privacy, anti-bribery and anti-corruption, fraud prevention, whistleblowing, climate action, etc.).
 - (8) Consider and approve the remit of the risk management and sustainability function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.
 - (9) Review reports on any material breaches of risk limits and the adequacy of proposed action.
 - (10) Ensure the effective preparation of sustainability statements as required by Bursa Malaysia Securities Berhad relating to the governance structure for sustainability management, the identification, management and reporting of material sustainability matters relevant to the Group.
 - (11) Review whether the Group has satisfactory controls and mitigating plans to enable the Group's policies, regulatory requirements and customer satisfaction to be met.

(E) Conduct of Meetings

- (1) Meetings shall be held not less than four (4) times each year. Unless otherwise agreed, notice of every meeting, venue, date and time together with an agenda of items and supporting papers to be discussed shall be forwarded to each Committee member and all persons required attending no later than one (1) week prior to the date of the meeting.
- (2) The quorum for meeting shall be two (2) members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- (3) Only members of the Committee have the right to attend committee meetings. However, individuals may be invited by the Chairman of BRMSC to attend all or part of any meeting as and when appropriate and necessary.
- (4) In the absence of the BRMSC Chairman, the Committee members present shall appoint a chairman from amongst them for that particular meeting.
- (5) At any other time as the Committee shall see fit, it shall meet separately with the Head of Group Risk Management ("GRM"), the Chief Audit Executive ("CAE") and the external auditor in the absence of other members of Management.

(F) Reporting Procedures

- (1) The Company Secretary(ies) of TCMH, or her/their nominee(s), shall be the secretary(ies) of the Committee. The secretary(ies) shall minute the proceedings of all meetings of the Committee, including recording the names of those present and in attendance.
- (2) Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes shall be circulated to all other members of the Board unless it is deemed inappropriate to do so.



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- (3) Notwithstanding the minutes of the BRMSC being shared with the Board, the Chairman of BRMSC may from time to time escalate significant risk, control or sustainability matters that warrant the attention of the Board.
 - (4) The Chairman of BRMSC shall report all substantive issues arising from the Committee meetings at the next following Board meeting. Committee meeting minutes shall be signed at the next Committee meeting and copies of the signed minutes shall be tabled at the next Board meeting taking place after signing.
 - (5) In addition to their management reporting line to the President, the Group Chief Executive Officer who assumed the position as the Chairman of the Risk Management and Sustainability Committee, the Head of GRM and the CAE have a direct reporting line to the Chairman of the BRMSC on matters within the Committee's scope.
 - (6) The BRMSC's duties and activities during the year shall be disclosed in the Annual Report and Financial Statements, as needed.
 - (7) The Chairman of BRMSC shall attend the Annual General Meeting ("AGM") to answer questions raised by shareholders on the Committee's activities.
 - (8) The BRMSC shall annually review its own effectiveness and recommend any necessary changes to the Board, if necessary.
 - (9) The BRMSC shall make whatever recommendations to the Board it deems appropriate and shall be responsible for reviewing the factual accuracy of the relevant sections of the Company's Annual Report and Financial Statements concerning internal controls, risk management and sustainability reporting.

(G) Review of the Terms of Reference

The Terms of Reference shall be reviewed by the Committee annually, or as and when required, especially when there are changes to regulatory requirements or the MCCG where the roles and responsibilities of the Board and the Committee are impacted. All amendments to the Terms of Reference, as recommended by the Committee, must be approved by the Board.