SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD
Registration No. 195801000191 (3327-U)
(Incorporated In Malaysia)

RISK MANAGEMENT COMMITTEE
TERMS OF REFERENCE

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1. OBJECTIVES

The Risk Management Committee ("RMC") is a committee established by the Board of Directors of the Company for the following purposes: -

(a) To oversee the risk management matters relating to the activities of the Company, including those related to sustainability and climate change and to assist the Board to fulfill its responsibilities on risk governance and risk management to manage the overall risk exposure of the Company;

(b) To review the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but are not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management.

The scope of these Terms of Reference serves as a guidance to the RMC members pertaining to the oversight of risk management, sustainability, climate change and other related matters. This includes overseeing the Company's broader enterprise risk management, objectives, policies and practices concerning all material risks. For this TOR, sustainability is defined as a principle in conducting business activities to ensure that the Company's Economic, Environmental, Social and Governance priorities are considered when making decisions. Climate change means a phenomenon which occurs naturally and is also caused by human activities, resulting in long-lasting shifts in weather patterns. These shifts create climate-related risks to human society and businesses, which encompasses both physical and transition risks. Climate-related opportunities also arise from this phenomenon.

2. SIZE AND COMPOSITION

The RMC shall consist of at least three (3) members, a majority of which shall comprise Independent Non-Executive Directors.

Members of the RMC may relinquish their membership in the RMC with prior written notice to the Company Secretary and may continue to serve as Director of the Company.

Where the membership of the RMC falls below three (3) due to retirement, resignation or any other reason, the vacancy must be filled within three (3) months from the event.

3. QUORUM

The quorum for each meeting shall be two (2) members.

4. CHAIRPERSON

Members of the RMC shall elect a Chairperson from among their members who shall be a Non-Executive Director. In the absence of the Chairperson, the members present shall elect one of their members who shall be a Non-Executive Director to be the Chairperson of the meeting.

5. DUTIES AND RESPONSIBILITIES

a) To oversee the risk management matters of the Company, which include identifying, managing, monitoring, treating and mitigating significant risks across the Company and achieving sustainability objectives;

b) To review the risk and sustainability framework, policies and guidelines for managing risks within the Company and where required, recommend the same for approval by the Board;

c) To review the adequacy of resources and internal controls allocated to manage the risks and implement sustainability initiatives;

d) To review and recommend the annual corporate risk profile which specifies key risks for approval by the Board;

e) To exercise its powers and carry out responsibilities as may be required under the policies established by the Board;

f) To review, monitor, assess and advise the Board on the Company's risk appetite and risk tolerance, including those concerning sustainability and climate change;

g) To review new project/product and ensure that appropriate and relevant risks have been adequately assessed before submission to the Board for approval;

h) To review and deliberate the reports related to risk and sustainability and recommend to the Board for approval;

i) To review if necessary, together with other committees, management, internal auditors, external auditors and other parties any significant risks that could affect the Company and assess the steps that the Management has taken to manage such risks;

j) To review, monitor and assess the effectiveness of the Company's implementation of risk treatment/mitigation action plan(s) for the management and control of the key risks, including cyber security risk and resilience as well as sustainability and climate-related risks;

k) To review the enterprise risk management activities of the Company;

l) To monitor the effectiveness of risk and sustainability management practices, including the annual group-wide risk assessment and the identification of critical risks;

m) To review the compliance framework, the plan and the scope of work of the compliance function; and

n) To monitor the overall compliance to the internal policies, statutory and regulatory requirements as well as guidelines for the Company.

6. FREQUENCY OF MEETINGS

The RMC shall convene meetings as and when deemed necessary, with at least two (2) meetings per year. A member may at any time and the Secretary shall on the requisition of a Director/member, summon a meeting of the RMC. The RMC may invite any personnel and/or independent parties to attend the meeting.

7. SECRETARY

The Company Secretary shall be the Secretary of the RMC. The Secretary is responsible for sending out notices of and preparing and keeping minutes of meetings. The minutes of the RMC meetings shall be properly produced and kept in the registered office of the Company.

8. NOTICE AND MEETING AGENDA

Meetings may be scheduled by the RMC or the Chairperson. The meeting agenda shall be the responsibility of the Chairperson with input from the RMC members. The Chairperson may ask the Management to participate in this process.

The notice and agenda of meeting shall be circulated within reasonable time before each meeting to the RMC members and all those who are required to attend the meeting. Written materials including information requested by the RMC from the Management or external consultants shall be received together with the agenda of the meeting.

9. ATTENDANCE BY INVITATION

The RMC may invite any other directors or employees within the Company to attend any of its meetings to assist the RMC in its deliberations.

The RMC is also authorised to obtain external professional advice and if required, to invite outsiders with relevant experience and expertise to attend the meeting to assist the RMC in its deliberations.

10. DECISION

The decision that gained the majority votes shall be the decision of the RMC. Each member is entitled to one (1) vote. In the event of equality of votes, the Chairperson of the RMC shall have a second or casting vote (except where only two (2) directors were present for the meeting).

11. RESOLUTION IN WRITING

The RMC may deal with matters by way of circular resolutions in lieu of convening a formal meeting, if necessary. A resolution in writing signed and approved by majority of the RMC and who are sufficient to form a quorum shall be as valid and effective as if it has been passed at a meeting of the RMC duly called and constituted.

Any such resolution may consist of several documents like form, each signed by one or more members. The expressions “in writing” or “signed” include approvals by legible confirmed transmissions by facsimile or other forms of electronic communications.

12. MINUTES OF MEETING

The Minutes shall be signed by the Chairperson of the Meeting at which the proceedings were held or by the Chairperson of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes shall be circulated to all members of the RMC.

13. MEETING VIA TELECOMMUNICATION DEVICE

(1) A member shall be deemed to be present at a meeting of the RMC if he participates by instantaneous telecommunication device and all members of the RMC are able to hear each other and to be heard, and for this purpose, participation constitutes prima facie proof of recognition. For the purposes of recording attendance, the Chairperson or Secretary of the RMC shall mark on the attendance sheet that the member was present and participating by instantaneous telecommunication device.

(2) A member may not leave the meeting by disconnecting his instantaneous telecommunication device unless he has previously obtained the express consent of the Chairperson of the meeting to leave the meeting. A member will be conclusively presumed to have been present and to have formed part of the quorum at all times during the RMC meeting by instantaneous telecommunication device unless he has previously obtained the express consent of the Chairperson of the meeting to leave the meeting.

(3) If a member is accidentally disconnected from the instantaneous telecommunication device and causes the absence of the required quorum of the meeting, no decisions should be in respect of matters by members during the disconnection and if the instantaneous telecommunication device cannot be re-connected at all, the meeting shall then be adjourned.

(4) Minutes of the proceedings at an RMC meeting by instantaneous telecommunication device will be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as correct minutes by the Chairperson of the meeting.

14. REPORTING TO THE BOARD

(1) The RMC, through its Chairperson, shall report to the Board at the next Board of Directors' Meeting after each RMC meeting.

(2) The minutes of each RMC meeting shall be tabled to the Board for notation.

(3) The RMC may from time to time submit to the Board its recommendation on matters within its purview, for the Board's decision.

(4) The RMC shall provide the Audit Committee with its assessment of the Company's risk management framework and key risks for the purpose of the Statement on Risk Management and Internal Control to be included in the Annual Report.

15. REVIEW OF THE TERMS OF REFERENCE

The RMC Terms of Reference, as proposed by the RMC, shall first be presented to the Board for approval. Upon the Board's approval, the said revision or amendment shall form part of the Terms of Reference and the RMC Terms of Reference shall be considered duly revised or amended. The RMC Terms of Reference shall be reviewed as and when necessary. A copy of the RMC Terms of Reference is uploaded onto the Company's website.

The Nominating Committee shall review the terms of office and performance of the RMC and each of its members annually to determine whether the RMC members have carried out their duties in accordance with these Terms of Reference.

This revised RMC Terms of Reference was approved by the Board on 26 August 2026.