



**RISK STEERING COMMITTEE
TERMS OF REFERENCE**

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1.0 INTRODUCTION

Risk Steering Committee (“RSC”) is a sub-committee of the Audit and Risk Committee (“ARC”). The RSC will assist the ARC in fulfilling its responsibilities for review and oversight of the Group’s risk management and internal control framework as well as corporate responsibility and sustainability programs. These terms of reference sets out the role, scope and responsibilities of the RSC.

2.0 COMPOSITION

- 2.1 The ARC shall be responsible for identifying and nominating for the approval of the Board any new appointments to the RSC. RSC shall consist of at least 3 members, comprising of at least 1 Director from Fima Corporation Berhad (“FimaCorp”) and Kumpulan Fima Berhad and at least 1 member of senior management (“RSC members”).
- 2.2 The RSC Chairman must be elected among the RSC members.
- 2.3 The term of office of the RSC members must be reviewed by the ARC at least once every 3 years.

3.0 ROLE

- 3.1 The RSC shall carry out the following duties set out below:

Internal Control and Risk Management

- (a) oversee the enterprise risk management (“ERM”) and internal control framework and policies and annual risk management plan of FimaCorp and its subsidiaries (“Group”). In doing this, the RSC is to identify the Group’s level of risk tolerance/risk appetite and to actively identify, assess and monitor key business risks of the Group including risk treatment/mitigation action plans for the business unit and control/progress management of key business risks.
- (b) review and discuss with management, and to consult with the ARC, as applicable, regarding the Group’s risk governance structure, risk assessment and ERM practices and guidelines, policies and processes.
- (c) deliver reports on risk management and risk assessment to the ARC or to the Board.
- (d) review and discuss with management the Group’s sustainability and safety programs and implementation thereof.
- (e) report to the ARC on risk topics as the RSC deems appropriate from time to time.
- (f) with respect to the Group’s safety, environmental, social and governance responsibility.

Anti-Bribery and Whistle-blowing

- (a) review and monitor the Group’s policies and procedures for detecting, reporting and

preventing breaches of conduct, bribery and corruption, and whistle-blowing matters, and to assess their effectiveness, and in any event, at least once every 3 years. This include requiring the RSC to regularly update the ARC on areas where suspected bribery attempts commonly occur in, and receiving summary of payments made by the Group in relation to the key bribery risk areas, as reviewed by the Chief Financial Officer.

- (b) heighten risk and anti-bribery awareness culture in the Group's business processes.

Sustainability

- (a) review the Group's sustainability goals, agendas and values as part of the Group's ERM framework, scope and strategy to promote greater awareness on sustainability.
- (b) review and provide input regarding the management of current and emerging issues.
- (c) review the Group's social responsibility activities.

3.2 RSC is supported by the Risk Management Unit ("RMU") which is made up of executives/management of the respective business units. RMU is responsible to managing, mitigating and monitoring strategic, financial, regulatory, operational and emerging risks at company/divisional level.

3.3 The RSC shall appoint a Risk Coordinator ("RC") from amongst the management of the Kumpulan Fima Berhad Group who shall act as a central contact and guide for ERM related issues within the Group, including but not limited to:

- (a) coordinating ERM routinely within the Group;
- (b) facilitating and supervising the development and implementation of policy, procedures and strategies relating to ERM; and
- (c) ERM training and communication.

3.4 The RSC shall appoint a Risk Officer ("RO") from the Group to support the RSC and the RC in implementing the Group's ERM framework. The RO shall act as the day-to-day focal point for ERM matters, including but not limited to:

- (a) coordinate ERM activities and serve as the first point of contact for ERM matters;
- (b) facilitate risk identification, assessment and treatment; maintain up-to-date risk registers, actions and documentation.
- (c) monitor key risks, control effectiveness, remediation progress and emerging risks; and
- (d) prepare ERM deliverables for RSC/ARC and support ERM tools, training and communications.

4.0 AUTHORITY

4.1 The RSC has the authority to:

- (a) obtain independent professional or other advice in the fulfilment of its duties at the Company's cost.
- (b) obtain such resources and information from the Group in the fulfilment of its duties as it may reasonably require.
- (c) meet exclusively among itself, whenever deemed necessary.

5.0 MEETINGS

5.1 The RSC shall meet at least twice a year or at a frequency to be decided by the RSC.

5.2 Two RSC members, present in person or by using any technology, shall constitute a quorum.

5.3 In the absence of the Chair, RSC members shall elect a Chair for the meeting from amongst themselves.

5.4 The RSC Secretary shall be representative from the Group's Secretarial Department, or any person as the RSC may decide. The RSC Secretary shall circulate the minutes of meeting to the RSC members and shall be responsible for keeping minutes of meetings of the RSC at the registered office of the Company under the custodian of the Company Secretary.

5.5 The RSC Secretary shall send the notice, agenda and any issues to be discussed for RSC meeting to RSC members and any other persons who may be required to attend.

5.6 The minutes of each RSC meeting shall be tabled to the ARC for noting.

5.7 The RSC shall update the ARC on issues and concerns discussed during their meetings and where appropriate, make the necessary recommendations to the ARC.

5.8 The RSC may invite any other person to attend for all or part of any meeting as it considers appropriate.

5.9 A circular resolution in writing signed by majority RSC members shall be valid and effective as it has been passed at a meeting. All such resolution shall be submitted for confirmation at a meeting of the RSC following the passing of the circular.

5.10 Whilst the preference is for meetings to be conducted physically, meetings may also be held virtually, either via video conferencing or by any digital means, and any RSC member participating via the said platforms shall be deemed to be present in person and counted as quorum for the meeting.