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RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE TERM OF REFERENCE



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1. OBJECTIVE

The primary objective of the Risk Management and Sustainability Committee (“Committee”) is:


- Oversight on the risk management framework and to assist the Board of Directors (“**Board**”) in fulfilling its responsibility in identifying significant risks and ensuring the implementation of appropriate systems to manage and minimise the overall risk exposure of Kerjaya Prospek Group Berhad (“**KPGB**”) and its subsidiary companies (“**Group**”).
- Oversight on the establishment and implementation of a sustainability management framework and its effectiveness, reporting to the Board on the Group’s sustainability performances and to review the sustainability reporting and disclosure requirements.

2. COMMITTEE COMPOSITION

- 2.1 The Committee members shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members, majority of them being independent directors.
- 2.2 No alternate Director shall be appointed as a member of the Committee.
- 2.3 The Committee members shall have a mixture of expertise and experience, including sufficient understanding of the industries in which the Group operates in order to challenge and facilitate robust discussions on the management of the Group’s key risk and sustainability areas with the ability to anticipate, assess, drive potential future sustainability opportunities and mitigate potential future risks to the Group.
- 2.4 If a Committee member retires or resigns from his position as Director of the Company, that member ceases to be a member of the Committee. The Board may appoint a successor to fill the vacancy within three months from the cessation.

3. CHAIRMAN

The appointment of the Chairman of Committee shall be approved by the Board. In the absence of the Chairman of Committee at any Committee meeting, the other Committee members present shall amongst themselves elect a Chairman to chair the meeting. The Chairman of Committee shall be an Independent Non-Executive Director.

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4. AUTHORITY


- i) The Committee shall have the resources required to perform its duties;
- ii) The Committee is authorised to seek any information it requires from the Management in order to perform its duties;
- iii) The Committee is authorised to call for any appropriate person or persons to be in attendance to make presentations or furnish or provide independent advice on any matters within the scope of responsibilities;
- iv) The Committee is authorised by the Board to obtain, at the Company's expense, external legal or other professional advice on any matters within its Terms of Reference; and
- v) The Committee shall not have delegated powers from the Board to implement its recommendations but should be obliged to report its recommendations back to the Board for approval.

5. DUTIES AND RESPONSIBILITIES

In fulfilling its primary objectives, the Committee shall undertake, amongst others, the following duties and responsibilities:

5.1 Risk Management Matters

- i) Review with the Management the primary elements comprising the Company's risk culture, including establishing the Company's core values and recommend appropriate risk management strategies, policies, and risk tolerances in line with Group's business objectives for the Board's approval;
- ii) Ensure the implementation of risk management framework conforms to the Practice of the Malaysian Code on Corporate Governance by establishing and maintaining a Group's risk register and providing the Board with periodic reports on the Company's risk status;
- iii) Review with the Management the Company's risk appetite and risk tolerance and assess whether the Company's strategy is consistent with the agreed-upon risk appetite and tolerance for the Company.
- iv) Review with the Management the ways in which risk is measured (qualitative and quantitative) and policies and procedures in place to hedge against or mitigate risks and the actions to be taken if risk limits are exceeded.
- v) Review with the Management the adequacy of the Group's risk register and the integrity of the register is in compliance from the aspect of risks identification, risk assessment and risk management method;
- vi) Review with the Management the ways in which risk is measured (qualitative and quantitative) and policies and procedures in place to hedge against or mitigate risks and discuss with the Management on actions to be taken is risk limits are exceeded and/or to improve risk management framework based on the risk identified;
- vii) Review with the Management the assumptions and analysis underpinning the determination of the Company's principal risks and whether adequate procedures are in

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place to ensure that new or materially changed risks are properly and promptly identified, understood and accounted for in the actions of the Company.

- viii) Review management's implementation of its risk policies and procedures, to assess whether they are being followed and are effective.
- ix) Consider and evaluate other risk matters as judged appropriate by the Committee or as authorised by the Board;
- x) All recommendations and findings of the Committee shall be submitted to the Board for approval and endorsement; and
- xi) To carry out such other functions or assignments as may be delegated by the Board from time to time.

5.2 Sustainability Reporting Matter

- i) Overseeing the management of principal business risks and significant/material economic, environmental and social risks;
- ii) Ensuring resources and processes are in place to enable the Organization to achieve its sustainability commitments and targets;
- iii) Reviewing disclosures statements relating to management of suitability matters of the Group in the Annual Reports; and
- iv) Oversee stakeholder engagement and its outcomes addressing economic, environmental, social and governance matters with regard to the strategic sustainability goals. In particular, matters that may affect the Group's reputation. This shall include key concerns / allegations that are raised by stakeholders, evolving public sentiments and government regulations.

6. MEETINGS

6.1 Frequency of Meetings


The Committee shall meet at least once a year during a financial year and as frequently as may be required.

Committee shall conduct face to face meetings, however, subject to the notice and quorum requirements as provided in the Terms of Reference, meetings of the Committee may be held and conducted through telephone conferencing or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.

In addition, the Committee may take action by unanimous written consent of its members, including dealing with matters by way of circular resolutions in lieu of convening a formal meeting.

6.2 Quorum

The quorum for a meeting of the Committee shall consist of not less than two (2) members, of which at least one (1) shall be an Independent Non-Executive Director. In the absence of a

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quorum, the meeting shall be adjourned to such other date and at such other time and venue as the Committee may determine.

In the event the elected Chairman is not able to attend a meeting, a member of the Committee shall be nominated as Chairman for the meeting.

6.3 Notice of Meeting and Supporting Papers

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, at least seven (7) days before the date of the meeting. Supporting Papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

6.4 Voting

All resolutions of the Committee shall be adopted by a simple majority vote, each member having one (1) vote. In case of equality of votes, the Chairman of the Committee shall have a second or casting vote.

6.5 Secretary and Minutes of Meetings

The Company Secretary or his nominee or such other persons authorised by the Board shall act as the Secretary of the Committee. The Secretary shall record, prepare and circulate the minutes of the meetings of the Committee and ensure that the minutes are properly kept and produced for inspection, if required.


The Company Secretary shall distribute copies of the minutes of Committee meetings to all its members at next meeting. The minutes of meetings must be reviewed by the Chairman of the Committee before circulation to the members of the Committee.

Minutes of meetings shall be tabled to the Board of the Company for information.

The minutes of meetings and conclusions of the meetings should be entered into the Minutes Book kept by the Company Secretary of the Company. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.

6.6 Circular Resolution

A resolution in writing, signed by a majority of the Committee members present in Malaysia for the time being entitled to receive notice of a meeting of the Committee, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more of the members of the Committee. The expressions "in writing" and "signed" include approval by telefax, telex, cable or telegram and text messages by any such member of the Committee.

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7. ANNUAL GENERAL MEETING

A member of the Committee shall attend the Annual General Meeting (including extraordinary general meeting) to answer any shareholders' questions on the Committee's activities.

8. REVISION AND UPDATES

This Terms of Reference will be reviewed in accordance with the needs of the Committee and updated at least every three financial years by the Committee for the Board's approval to ensure it remains consistent with the Committee's objectives and responsibilities.