



KEB BERHAD

(Formerly known as KEB Development Sdn. Bhd.)

Registration No. 202301039301 (1533221-H)

TERMS OF REFERENCE

OF

RISK MANAGEMENT COMMITTEE

KEB BERHAD
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TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE

1. OBJECTIVES

The primary function of the Risk Management Committee ("**Committee**") established by the Board of Directors ("**Board**") of KEB Berhad ("**Company**") is to assist the Board in overseeing the risk management framework, sustainability strategy and initiatives of the Company and its subsidiaries (collectively referred to as the "**Group**") as follows:

- (a) to review the Group's risk management framework and ensure that key risks are identified, managed and mitigated appropriately; and
- (b) to oversee the management of the Group's principal business risks and significant or material Environmental, Social and Governance ("**ESG**") risks, and to ensure that sustainability risks and opportunities are effectively integrated into the risk management framework of the Group.

2. COMPOSITION OF THE COMMITTEE

Members of the Committee shall be appointed by the Board among its Directors and shall comprise at least three (3) members, the majority of whom shall be Independent Non-Executive Directors.

3. CHAIRPERSON

- 3.1 The members of the Committee shall elect a Chairperson from among their number, who shall be an Independent Non-Executive Director.
- 3.2 The Chairperson of the Committee shall chair all meetings of the Committee. If the Chairperson of the Committee is not present within fifteen (15) minutes of the time appointed for holding the meeting or is unable/unwilling to chair the meeting, the members of the Committee present shall elect one (1) of them, of whom is an Independent Non-Executive Director, to be the Chairperson of the meeting.
- 3.3 The Chairperson of the Committee shall provide leadership to the Committee in discharging its responsibilities effectively, including leading discussions on key risk management matters such as the identification, evaluation and mitigation of principal risks, as well as sustainability matters relating to the oversight of significant ESG risks and opportunities.

4. SECRETARY

- 4.1 The Company Secretary shall be the Secretary of the Committee.
- 4.2 The Company Secretary, in consultation with the Chairperson of the Committee, shall draw up the agenda and notice of the meeting. The Company Secretary is responsible for circulating the notice of meeting and keeping the minutes of the meeting of the Committee.

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5. QUORUM AND MEETING PROCEDURES

- 5.1 The Committee shall meet at least once a year, or more frequently as circumstances may dictate. The Chairperson of the Committee may request for additional meetings when required or upon request made by any Committee member.
- 5.2 The notice of the meeting, together with the meeting materials, shall be circulated at least seven (7) days or shorter notice where it is unavoidable, prior to each meeting to the members of the Committee.
- 5.3 Reasonable notice of every meeting shall be given in writing and served to the Committee members either personally or by fax, e-mail, post or courier to his/her address in the Register of Directors or to the address provided by the Committee members, except in the case of emergency, where the Committee may waive such requirement.
- 5.4 The quorum for the Committee meeting shall be two (2) members. No business shall be transacted unless a quorum is present either in person or by telephone, television, video conferencing or any other audio and/or visual device which permits instantaneous communication.
- 5.5 If any member is unable to be physically present, he/she may choose to participate by means of a conference telephone or any other audio, audio-visual, or communication equipment which allows all persons participating in the meeting to hear and speak with each other and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum accordingly.
- 5.6 A Committee meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables all Committee members as a whole to participate for the entire duration of the virtual meeting, provided the following conditions are met:
 - (a) all the Committee members for the time being entitled to receive notice of the Committee 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 by the Constitution of the Company; and
 - (b) a Committee member may not leave a virtual meeting by disconnecting from the technology used unless he/she has previously expressly notified the Chairperson of the meeting of his/her intention to leave the meeting and a Committee member shall be conclusively presumed to have been present and have always formed part of the quorum during such a meeting until such notified time of his/her leaving the meeting.
- 5.7 The main venue of the Committee meeting shall be the place where the Chairperson of the Committee meeting is present.
- 5.8 A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes. In the event of an equality of votes, the Chairperson of the Committee meeting shall have a second or casting vote. The Chairperson of the Committee shall not have a second or casting vote when only (2) members (one of whom is the Chairperson) form a quorum or when only two (2) members are competent to vote on the question at issue.

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- 5.9 Any member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, must declare his/her interest in the matters and he/she shall abstain from deliberating and voting.
- 5.10 The Committee may, as and when deemed necessary, invite any Board members or any member of management or any employee of the Company, who the Committee thinks fit, to attend the meetings (specific to the relevant meeting) to assist and provide pertinent information as necessary.

6. KEEPING AND INSPECTION OF MINUTES

- 6.1 The Company shall cause minutes of all proceedings of the Committee meeting to be entered in books for that purpose.
- 6.2 Minutes of each meeting, including virtual meetings shall be signed by the Chairperson of the Committee meeting at which proceedings were held or by the Chairperson of the next succeeding Committee meeting and if so signed, shall be conclusive evidence of the proceedings of the meeting duly held.
- 6.3 The books containing the minutes of Committee meetings shall be kept at the registered office of the Company or a place determined by the Board pursuant to the Companies Act 2016 and shall be open for inspection by any Committee member or Board member.
- 6.4 The minutes of each Committee meeting shall be distributed to the Committee members in a timely manner and to the other Board members at the Board meeting.

7. COMMITTEE'S CIRCULAR RESOLUTIONS

- 7.1 A resolution in writing signed by a majority of the Committee members for the time being shall be as valid and effectual as if it had been passed at a Committee meeting duly called and constituted.
- 7.2 All such resolutions shall be described as "Risk Management Committee's Circular Resolution in Writing" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book.
- 7.3 The resolution may consist of several documents in like form, each signed by one (1) or more Committee members. Such document may be accepted as sufficiently signed by a Committee member if it is transmitted to the Company by facsimile or other electrical or digital written message, which include a signature of the said Committee member.

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8. REPORTING

The Committee, through its Chairperson, shall report a summary of significant matters to the Board at the next Board meeting after each Committee meeting. When making any recommendations to the Board for approval, the Chairperson of the Committee will brief the Board on the background and supporting information as may be necessary for the Board to make an informed decision.

9. POWER AND AUTHORITY

The Committee shall in accordance with a procedure to be determined by the Board and at the expense of the Company:

- (a) have the resources which are required to perform its duties;
- (b) have full and unrestricted access to all information and documents which are required to perform its duties;
- (c) be able to obtain external professional advice or other advice and invite persons with relevant experience to attend the Committee meetings, if necessary; and
- (d) have access to advice and services of the Company Secretary.

10. DUTIES AND RESPONSIBILITIES

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

- (a) To establish and maintain an adequate and effective risk management framework for the Group.
- (b) To review the Group's risk management framework, policies and processes, including the identification, assessment, management, monitoring and mitigation of significant risks (such as operational, financial, regulatory compliance, sustainability reporting and reputational risks), and to evaluate the overall adequacy and effectiveness of the risk management system for recommendation to the Board.
- (c) To review and assess the Group's level of risk appetite and risk tolerance.
- (d) To recommend to the Board the adoption of sustainability-related policies and to monitor their implementation across the Group, ensuring that the management of sustainability risks and opportunities is effectively integrated into the Group's risk management framework and processes.
- (e) To advise the Board and recommend business strategies in the area of sustainability, including but not limited to ESG matters, to ensure alignment with the Group's overall strategic objectives.

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- (f) To monitor the implementation and progress of sustainability strategies approved by the Board, including the achievement of key sustainability targets and initiatives.
- (g) To review the adequacy of resources in managing risk management and sustainability functions within the Group.
- (h) To review and recommend the Sustainability Statement or related report for the Board's approval, ensuring that the Group's sustainability strategies, initiatives, performance and outcomes are accurately and effectively communicated to investors and other stakeholders.
- (i) To carry out any other duties that may be mutually agreed upon by the Committee and the Board that would be beneficial to the Company.

11. REVIEW OF TERMS OF REFERENCE

The Board will periodically review and update this Terms of Reference to ensure its relevance, effectiveness and alignment with the Group's objectives, practices and current laws and regulations. Any amendments to this Terms of Reference shall be approved by the Board.

This Term of Reference is made available on the Company's website.

12. APPROVAL

This Terms of Reference was reviewed and approved by the Board of the Company on 26 December 2025.