Terms of Reference for Risk Management and Sustainability Committee

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Contents

Revision History Log

Ver. No	Section	Section Name	Page	Details of Amendments	Effective Date	e-Circular No.
1	All	All	All	Document published	21-Feb-17	NIL
2	All	All	All	Change to adopt new documentation	28 Feb 2018	OSKH/CS/CIR/ 003
3	A.1.1	RMC – Introduction	4	Updated introduction to RMC	20 May 2021	OSKH/CS/CIR/ 005
	A.1.2	RMC – Composition of RMC	4	Updated requirement for composition based on MCCG		
	A.1.4	RMC – Duties & Responsibilities of the Chairman	4	Updated Duties and Responsibilities of the Chairman		
	A.1.5	RMC – Duties & Responsibilities of the RMC	5	Updated Duties and Responsibilities of the RMC		
	A.2.1	Duties and Functions - RMC	6 & 7	Updated Duties and Functions of RMC		
	A.4.1	Meetings & Minutes - General	9	Standardised relevant paragraphs with other Board Committees' TOR		
	A.5	Review of the TOR	10	New Section		
4	All	All	All	Refer Summary of Change	30 May 2024	OSKH/CS/CIR/ 010
5	All	All	All	Refer Summary of Change	19 Nov 2025	OSKH/CS/CIR/ 012
6	All	All	All	Refer Summary of Change	19 Aug 2026	OSKH/CS/CIR/ 013

Glossary

Term	Description
“Board”	The Company’s Board of Directors
“Company”	OSK Holdings Berhad
“ESG”	Environmental, Social and Governance
“GMRC”	Group Management Risk Committee
“GMSC”	Group Management Sustainability Committee
“GRM Department”	Group Risk Management Department
“GSUS Department”	Group Sustainability Department
“HOD”	Head of Departments
“Independent Director”	A Director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company and who satisfies the criteria for “independence” set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
“the Group”	OSK Holdings Berhad and its subsidiaries, collectively
“RMSC”	Risk Management and Sustainability Committee
“Management”	Executive with management authority within their respective domains

A. TERMS OF REFERENCE

A1. Risk Management and Sustainability Committee

1. Introduction

1. The RMSC is established by the Board pursuant to the Malaysian Code on Corporate Governance. The terms of reference govern the conduct and responsibilities of the RMSC and outlines the policies, procedures and guidelines in relation to the risk management framework and sustainability governance of the Group.

2. The RMSC should ensure that the Company establishes effective and comprehensive risk management framework, policies and processes to identify, measure, monitor and control the various types of risks faced by the Group.

3. The RMSC also plays a pivotal role in supporting the Board to advance the Group's direction on sustainability including actively cultivating a strong and progressive sustainability culture within the Group.

2. Composition

1. The RMSC shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members, comprising a majority of Independent Directors.

2. The Chairman of the RMSC shall be appointed by the Board. In the absence of the Chairman, the members present shall elect a Chairman from amongst themselves to chair the meeting.

3. Duties and Responsibilities of the Chairman

1. The Chairman leads the RMSC in overseeing the Group's risk management and sustainability matters, including sustainability and climate-related risks and opportunities. This includes fostering effective collaboration among the RMSC, GMRC, GMSC, Management and the Board to support the integration of sustainability into the Group's strategy and risk management framework, and promoting a strong risk-aware and sustainability-driven culture throughout the Group.

End

A. TERMS OF REFERENCE
A2. Duties and Functions

1. Risk Management and Sustainability Committee

1. RMSC oversees the Group's overall risk management framework, processes and all its related policies and monitors the effectiveness of risk mitigation plans for the management and control of the key risks, including sustainability and climate-related risks. It is accountable to the Board and is responsible to advise the Board on the adequacy and effectiveness of the risk management framework.

2. RMSC shall be assisted by GRM and GSUS Departments.

3. RMSC's main duties and responsibilities include the following:
   - 3.1. Provide oversight on risk management methodology, strategies, policies, risk appetite, applications of risk framework, risk-related matters and recommend the aforesaid to the Board for approval;
   - 3.2. Provide oversight to ascertain there are sufficient resources, infrastructure and system in place for risk management and sustainability activities of the Group;
   - 3.3. Review and recommend new policies or changes to policies under the purview of the RMSC, and to consider their risk implications;
   - 3.4. Periodically review compliance with policies and tolerance level set;
   - 3.5. Prior to the RMSC meeting, ensure that reasonable assurance is obtained from GMRC and Management that any impact arising from current and foreseeable future risks on the Group's business operations and objectives has been identified, mitigated and managed;
   - 3.6. Review anti-bribery and anti-corruption compliance and business continuity management as part of the quarterly governance review of the Group;
   - 3.7. Review the Statement on Risk Management and Internal Control and Sustainability Statement for inclusion in the Company's Annual Report and/or Sustainability Report to ensure that the relevant information as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are disclosed, and to recommend the same for the approval of the Board;
   - 3.8. Oversee the integration of sustainability and climate-related risks and opportunities into the Group's Enterprise Risk Management Framework;
   - 3.9. Promote and encourage the Group's commitment towards sustainability and its response to sustainability and climate-related risks and opportunities amongst stakeholders and the wider community;
   - 3.10. Advise the Board on formulating Group-wide sustainability and climate-related strategic directions, ensuring clear governance

for material issues as well as emerging sustainability and climate related matters;

3.11. Review the development of sustainability strategies, climate mitigation and adaptation plans, as well as related targets in relation to identified sustainability and climate related risks and opportunities. Oversee the GMSC in effectively executing ESG initiatives across the Group, ensuring measurable impact and outcome as well as the progress over targets set;

3.12. Monitor and ensure effective implementation of the sustainability strategies and strategic management of material sustainability and climate-related matters, risks and opportunities with respect to engaging stakeholders, assessing materiality, establishing policies, setting goals and measuring performance;

3.13. Review sustainability-related findings highlighted in internal/independent audits and assurance reports, as well as any concerns highlighted by auditors and/or consultants; and

3.14. Keep abreast with developments in relevant laws, regulations and trends relating to sustainability and climate change that might impact the Group's operations, provide guidance and recommendations for action plans where applicable.

End

A. TERMS OF REFERENCE
A3. Authority

1. General

1. RMSC shall within its terms of reference:
   1.1. Assist the Board in its review of the adequacy of scope, functions and resources of GRM and GSUS Departments and that it has the necessary authority to carry out its responsibilities;
   1.2. Have full and unrestricted access to any information and documents relevant to its activities in carrying out its duties. All employees are directed to co-operate with any request made by RMSC;
   1.3. Have the authority to investigate any matters within its terms of reference;
   1.4. Have the authority to form management/sub-committee(s) if deemed necessary and fit;
   1.5. Have the authority to oversee the GMRC and the GRM Department in fulfilling the Groups’ risk governance objectives, and the GMSC and the GSUS Department in achieving the Group’s sustainability and climate governance objectives; and
   1.6. Have authority to engage independent consultants or other advisors to fulfil the risk, sustainability and climate governance objectives.

End

A. TERMS OF REFERENCE

A4. Meetings & Minutes

1. General

1. The RMSC shall preferably meet quarterly, but in any event, no less than four (4) times a year, or when required by the Chairman or any RMSC member.

2. Prior notice shall be given for the RMSC meetings.

3. The quorum of the meetings shall be at least two (2) members or 50% of the total members, whichever is higher.

4. The RMSC is also allowed to carry out the resolution by way of circulation. A circular resolution signed or approved by any written electronic communications by a majority of the members of the RMSC and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the RMSC duly called and constituted. All such resolutions shall be described as “Risk Management and Sustainability Committee Members’ Circular Resolutions” and shall be forwarded or otherwise delivered to the Company Secretary without delay, and shall be recorded by the Company Secretary in the Company’s minute book. Any such resolution may consist of several documents in like form, each signed by one (1) or more RMSC members.

5. The RMSC may meet together for dispatch of business, adjourn, and otherwise regulate their meetings as they think fit by means of any communication technology by which all persons participating in the meeting are able to hear and be heard by all other participants without the need for a member to be in the physical presence in the meeting. The RMSC member participating in any such meeting shall be counted in the quorum for such meeting. All resolutions agreed by the RMSC member in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the RMSC members duly convened and held.

6. Resolutions, proposals and matters tabled for approvals at any RMSC meeting shall be decided by a simple majority of the member present. One (1) member shall have one (1) vote. In case of an equality of votes, the Chairman of the RMSC shall have a second or casting vote.

7. Other directors, the HODs and relevant Management personnel may be invited to attend RMSC meetings.

8. The RMSC member is required to make declaration and abstain from deliberations and voting in respect of any matter which may give rise to a conflict of interest or potential conflict of interest situation. The interested RMSC member shall be counted as part of the quorum of the meeting.

9. The Company Secretary shall act as Secretary to the RMSC and shall be responsible for taking the minutes of meetings, keeping the minutes and to produce the minutes for inspection when necessary.

10. The Company Secretary, in consultation with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers to each RMSC member prior to the RMSC meeting.

End

A. TERMS OF REFERENCE

A5. Reporting

1. General

1. The Chairman assisted by RMSC shall report the proceedings of each RMSC meeting to the Board and update the Board on significant issues and concerns discussed and where appropriate, make necessary recommendations to the Board.

End

A. TERMS OF REFERENCE
A6. Review of the Terms of Reference

1. General

1. The RMSC members will assess, review and update the terms of reference at least once every three (3) years or as and when there are changes to the regulatory requirements, direction or strategies of the Company that may affect RMSC's roles.

2. The Company Secretary shall be responsible to highlight and notify the RMSC when the need arises for a review.

3. The RMSC will recommend the changes for approval by the Board.

4. In the event the regulatory requirements are amended, modified or varied, such amendments, modification or variations shall take precedence over these terms of reference.

End