



**BOARD SUSTAINABILITY AND RISK
MANAGEMENT COMMITTEE
TERMS OF REFERENCE**

UZMA BERHAD
[Registration No. 200701011861 (769866-V)]
[Incorporated in Malaysia]

1. PRIMARY PURPOSES

The Board Sustainability and Risk Management Committee (“SRMC”) shall be tasked to oversee:

- development and implementation of strategies including sustainability strategies;
- business plans and key initiatives of Uzma Group, having regard to sustainability considerations, in line with the Malaysian Code on Corporate Governance; and
- risk management framework, policies and practices in managing risks in credit, market, liquidity, operational, legal, technology, compliance, sustainability, climate-related and other risks and to ensure that the risk management process is in place and functioning effectively for Uzma Berhad and its Group of Companies.

2. COMPOSITION

- 2.1 The Board shall appoint the members of SRMC from amongst its non-executive directors, and shall consist of no less than three (3) members, with the majority comprising Independent Directors. The Chairman of the Board shall not be Chairman of the SRMC. At least one (1) member of SRMC must be a member of the Audit Committee of Uzma. This is to ensure that the risk management and internal control system of Uzma Group is being coordinated between the various standing Board Committees of Uzma and hence, able to discharge its risk and governance oversight roles.
- 2.2 In the event of any vacancy in the SRMC where membership falls below the minimum requirement of three (3), the vacancy must be filled within three (3) months or within such extension period approved by the Board. No Alternate Director shall be appointed as a member of the SRMC.

3. CHAIRMAN

The Board shall appoint a Chairman of the SRMC from among the Board members who are Independent Directors. Should the Chairman be absent from any meeting, one (1) of the members who shall be an Independent Director shall be elected as Chairman by the SRMC members.

4. AUTHORITY

- 4.1 The SRMC shall in accordance with the procedure determined by the Board and at the cost of the Company:-
- a. have explicit authority to investigate any matter within its terms of reference;
 - b. have the resources which are required to perform its duties;
 - c. have full and unrestricted access to any information pertaining to the Company or Group;
 - d. have ability to seek independent third-party views or information on risk implications as appropriate before coming to any conclusion or making any significant policy decisions.
 - e. have full and unrestricted access to the Sustainability Division, Risk Management Division, the Internal and External Auditors and/or employees of Uzma Group.

5. FUNCTIONS AND DUTIES

The functions of SRMC are to review, evaluate, report and make appropriate recommendations to the Board on the following matters:-

5.1 Risk Management

- a. Adequacy and effectiveness of Uzma's Risk Management Framework and the ongoing activities (including reports on key strategic and business risks as well as environmental, social and governance risks) for identifying, evaluating, monitoring and mitigating risks;
- b. Enterprise Risk Management Risk Register to ensure that appropriate systems and processes are in place to effectively monitor and manage the identified risks;
- c. Risk assessments conducted by the Risk Management Committee or the Project Risk Assessment Sub-Committee, on business proposals and new initiatives including, but not limited to:
 - merger & acquisition, divestment and joint-venture proposals;
 - financial-related decisions (e.g. financing);
 - commercial transactions with material complexity and exposure;
 - country-related decisions (e.g. entry or exit management);
 - key capital projects; and
 - new business ventures or special projects;
- d. Determination of risk tolerance level of Uzma Group.

5.2 Governance and Sustainability

Determination of Uzma's sustainability strategy and governance structure in alignment with Uzma's business strategy. The Committee, through the [Group Sustainability Steering Committee], shall assess the adequacy of the Sustainability Framework of the Group and shall have an oversight of sustainable development responsibilities in the following areas:-

- a. Environmental Management.
- b. Climate change especially in the management of its greenhouse gas (GHG) emission from all its businesses and operations.
- c. Labour and human rights management including safeguarding the wellbeing of our workforce.
- d. Occupational Health & Safety.
- e. Diversity, Equity and Inclusion (DEI)
- f. Welfare and socio-economic advancement of the wider communities.
- g. Circularity including the efficient utilisation of resources.
- h. Long term sustainability of business operations from the above perspectives.

6. MEETINGS

- 6.1 The SRMC shall meet at least two (2) times in a year or more frequently as circumstances required with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities.
- 6.2 The quorum of the meeting is two (2) and majority Independent Directors.
- 6.3 Upon the request of any member of SRMC, the Chairman of SRMC shall convene a meeting of the SRMC to consider matters which should be brought to the attention of the directors or shareholders.
- 6.4 The Chief Risk Officer and the Sustainability Officer have the right to appear and be heard at any meeting of SRMC and shall appear before the SRMC when required to do so by SRMC.
- 6.5 The SRMC may invite any Board member or any member of management or any employee of the Company who SRMC thinks fit to attend its meetings to assist and to provide pertinent information as necessary.
- 6.6 The SRMC may meet together for the 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, be heard and/or to participate, and in addition for the SRMC members, to vote, without the need for the meeting participants to be physically present in the meeting, from more than one(1)venue within or outside Malaysia. The SRMC member(s) participating in any such meeting shall be counted in the quorum for such meeting.

7. PROCEDURES OF THE COMMITTEE

The SRMC may regulate its own procedures, in particular:

- a. the calling of meetings;
- b. the notice to be given of such meetings;
- c. the voting and proceedings of such meetings;
- d. the keeping of minutes; and
- e. the custody, production and inspection of such minutes.

8. SECRETARY

The Company Secretary or other appropriate senior official shall be the Secretary to SRMC.

9. CONFIDENTIALITY

All meeting papers, resolutions, minutes and deliberations of SRMC are strictly and highly confidential.

10. REVIEW

This Term of Reference is approved by the Board of Uzma on 22 November 2023. The SRMC will review the Terms of Reference periodically, and discuss any changes that may be required and recommended any such changes to the Board for consideration and approval.