



A Member of  MMC Group

RISK AND SUSTAINABILITY COMMITTEE TERMS OF REFERENCE

1.0 OBJECTIVE

1.1 The Risk and Sustainability Committee (“RSC”) is established as a committee of the Board of Directors (“Board”) of Gas Malaysia Berhad (“Gas Malaysia” or the “Company”). The objectives of the RSC are as follows:

1.1.1 To oversee and provide oversight on risk management framework, policies and practices within Gas Malaysia group of companies (“Group”).

1.1.2 To oversee the implementation of the enterprise and corruption risk management, issues of corruption, fraud, malpractice and unethical conduct within the Group.

1.1.3 To oversee the sustainability matters within the Group.

2.0 COMPOSITION AND APPOINTMENT

2.1 The members of the RSC shall be appointed by the Board exclusively of Non-Executive Directors and shall comprise of no fewer than three (3) members. Where for any reason the members are reduced to less than three (3), the Board shall within three (3) months of the event, appoint such new members as may be required to make up the minimum number of three (3) members.

2.2 No Alternate Director can be appointed as a member of the RSC.

2.3 All members of the RSC including the Chairman, will hold office only so long they serve as Directors of the Company.

3.0 AUTHORITY

3.1 The RSC wherever necessary and reasonable for the performance of its duties, shall be in accordance with the procedures determined by the Board:-

3.1.1 Has authority to investigate any matter within its terms of reference;

3.1.2 Has the resources including engaging external professional and advisors, when necessary, in order to perform its duties and responsibilities as set out in the terms of reference;

- 3.1.3 Have full and unrestricted access to any information pertaining to the Group and direct communication channels with the management and any;
and
- 3.1.4 Has direct communication channels with the management and any personnel carrying out functions relevant to its duties and responsibilities as set out in the terms of reference.

4.0 DUTIES AND RESPONSIBILITIES

The RSC shall undertake the following duties and responsibilities:-

4.1 Risk Management

- (a) Risk Framework: Review and approve the risk management framework and ensure it is aligned with Gas Malaysia Group's strategy and objectives.
- (b) Risk Assessment: Oversee the identification, assessment, and mitigation of key risks, including financial, operational, strategic, and reputational risks, as part of the risk management activities.
- (c) Risk Reporting: Monitor risk management activities and review risk reports to ensure that risks are being managed appropriately and that the risk management process is effective.
- (d) Continuity Planning: Ensure that Gas Malaysia Group has appropriate continuity plans in place for major risks and crises.

4.2 Sustainability Oversight

- (a) Strategic Integration: Review the effectiveness of GMB Group's Sustainability Framework to be incorporated into the Group's business strategy.
- (b) Compliance Assurance: To ensure that proper processes and procedures are in place to comply with all relevant laws, regulations and rules that may have an impact on the sustainability principles and practices of the Group.
- (c) Sustainability Reporting: Review the Sustainability Statement of the Group to be incorporated in the Annual Report or any other statement to be made public prior to recommending the same to the Board for approval.

4.3 Compliance and Governance

- (a) Regulatory Compliance: Ensure compliance with relevant laws, regulations, and industry standards related to sustainability and risk management.
- (b) Policy Review: Review and recommend updates to the Gas Malaysia Group's policies and procedures related to sustainability and risk management.
- (c) Integrity Matter: Review the effectiveness and the adequacy of the Anti-Bribery and Anti-Corruption Policy and Framework and implementation of the same throughout the Group.
- (d) Risk Framework Review for New Projects and Ventures: Undertaking specific reviews on business projects/ventures as requested by the Board, which may involve deep dives into particular risk or sustainability issues.

4.4 Performance Monitoring

Evaluate key performance indicators (KPIs) related to sustainability and risk management and assess performance against targets, as part of the standard requirement.

4.5 To carry out such other assignments as may be delegated by the Board.

5.0 MEETINGS

- 5.1 Meetings shall be held at least two (2) times a year or more frequently as circumstances dictate. Additional meetings shall be scheduled as considered necessary by the RSC. The RSC may establish any procedures from time to time to govern its meetings, keeping of minutes and its administration.
- 5.2 Whilst the preference is for meetings to be conducted physically, meetings may also be held virtually, either via telephone or video conferencing or by any digital means. Any member participating via the said platforms shall be deemed to be present in person and counted as quorum for the meeting.
- 5.3 The quorum for a meeting of the RSC shall be two (2) members present. In the event the Chairman is unable to be present for a meeting, the remaining members present shall elect a Chairman amongst themselves to chair the meeting.
- 5.4 The Committee may request other directors, members of management and other attendees to participate in the Committee meeting, on matters relevant to them.

- 5.5 The Company Secretary shall be the Secretary of the Committee or in his/her absence, another person authorized by the Chairman of the RSC, shall be the Secretary of the RSC.
- 5.6 The agenda for each meeting including supporting documents shall be circulated at least five (5) days before each meeting to the members.
- 5.7 RSC meeting agendas shall be the responsibility of the Chairman with input from the Committee members. The Chairman may also ask the management to participate in this process.
- 5.8 Minutes of the meetings shall be duly entered into the minute books designated for recording all resolutions and proceedings of the RSC meetings. 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 fact thereon stated. Such minutes of each meeting shall be kept and distributed to each member of the Committee and of the Board.
- 5.9 The RSC, through its Chairman, shall present a report to the Board at the next Board meeting after each RSC meeting.

6.0 CIRCULAR RESOLUTIONS

- 6.1 A resolution may be submitted by way of Circular Resolution.
- 6.2 A resolution in writing or copies thereof signed or approved by facsimile or email or other forms of visible communication by all members for the time being entitled to receive notice of a meeting shall be as valid and effectual as it had been passed at a meeting of the RSC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.
- 6.3 Circular Resolutions shall be forwarded and delivered to the Company Secretary without delay. They shall be presented in the next RSC meeting for notation and be recorded by the Company Secretary in the minutes.

7.0 REVISION OF THE TERMS OF REFERENCE

- 7.1 The RSC shall review the adequacy of this Terms of Reference to be in line with new best practices and new legal or regulatory requirements, where appropriate, and recommend the proposed changes to the Board of Directors.
- 7.2 A revised Terms of Reference shall be effective upon approval by the Board.