



SINARAN ADVANCE GROUP BERHAD
[Registration No. 202001007513 (1363833-T)]
(Incorporated in Malaysia)

SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE: TERMS OF REFERENCE

1. PURPOSE

The purpose of the establishment of the Sustainability and Risk Management Committee (“**SRMC**” or “**Committee**”) is to assist the Board of Directors in their responsibilities in overseeing the sustainability and risk management framework, policies and strategies of the Company. In addition, the SRMC shall assist the Board to fulfil its corporate governance, sustainability and risk management, and statutory responsibilities in order to manage the overall sustainability and risk exposure.

2. COMPOSITION AND SIZE

The Board of Directors shall elect the SRMC members from amongst themselves and the Senior Management of the Group, comprising no fewer than three (3) members, with at least one (1) is key senior management personnel.

If a member of the SRMC ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three (3) months of that event, appoint such number of new member(s) as may be required to make up the minimum number of three (3) members.

No alternate director of the Board shall be appointed as a member of the SRMC.

3. CHAIRMAN

The Chairman of the SRMC shall be elected from amongst the SRMC members. The Chairman of the Committee shall be approved by the Board of Directors.

4. SECRETARY

The Company Secretary shall be the Secretary of the SRMC or in his absence, the Chairman of the Committee or chairman of the Meeting shall choose another person as the secretary of the Meeting.

5. MEETINGS

The SRMC may hold regular meetings for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequent as deemed necessary and should report to the Board of Directors. The Chairman may call for additional meetings at any time at the Chairman’s discretion.

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The Secretary shall on the requisition of the members of the SRMC summon a meeting of the SRMC except in the case of an emergency, reasonable notice of every SRMC meeting shall be given in writing.

In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the meeting.

A resolution in writing signed or approved by email, letter, telegram, telex, telefax or digital messaging services by all the SRMC Members 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 SRMC duly called and constituted. All such resolutions shall be described as "Sustainability and Risk Management Committee Members' Resolutions in Writing" and shall be forwarded or otherwise delivered to the Secretaries without delay, and shall be recorded by him in the Company's Minutes Book. Any such resolution may consist of several documents in like form, each signed by one (1) or more SRMC Members.

6. QUORUM

A quorum shall consist at least two (2) members.

7. AUTHORITY

The SRMC reports directly to the Board of Directors. The SRMC also assists the Audit Committee to discharge the latter's function in respect of risk assessment, risk control and risk mitigation plans.

The SRMC is authorised by the Board of Directors to investigate any activity within its terms of reference. It has free access to all information and documents it requires for the purpose of discharging its functions and responsibilities.

The SRMC is also authorised to obtain legal or other independent professional advice as it considers necessary as well as to appoint Sustainability and Risk Management Team/ Sub-Committees.

8. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Sustainability and Risk Management Committee are as follows:-

- (a) assisting the Board to formulate the sustainability strategies, priorities, targets and policies;
- (b) assisting the Board to provide oversight on the implementation of sustainable strategies and related matters;
- (c) to advise the Board on the Environmental, Social and Governance ("**ESG**") trends, developments and updates as well as on ESG risks along with recommended mitigation measures. This includes progressively integrating ESG risk into the existing risk management framework and risk register;

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- (d) to review the implementation of the Company's sustainability strategy in regard to stakeholder management, materiality assessment, policy establishment, setting sustainability key performance indicators and targets and assessing the measurement of the set targets;
- (e) assisting the Board to effectively discharge its risk oversight responsibilities by monitoring and overseeing the Group's risk management and processes in identifying, evaluating, monitoring and managing significant risks within the Group.
- (f) reviewing risk profiles in respective business units and the Group.
- (g) identifying and communicating to the Board periodically on the key risks faced by the Group and respective business units and major changes and the management action plans to manage the risks.
- (h) reviewing and assessing the adequacy and effectiveness of the systems of internal control and accounting control procedures and appropriate system in place to manage risks.
- (i) administrating and facilitating Group's Enterprise Risk Management ("ERM") activities and providing assurance on the effectiveness of ERM processes and comprehensiveness and reliability of ERM results.
- (j) assisting the Board to define responsibilities of various personnel in managing and reporting major risks.
- (k) providing guidance to the business units on the Group's and business unit's risk appetite.
- (l) ensuring proper risk management awareness and training to every level of the business and assisting the Board in embedding risk management into the organisation culture.

9. REVIEW OF TERMS OF REFERENCE

The Terms of Reference is to be regularly reviewed by the Board as and when required.

The Terms of Reference was reviewed and adopted by the Board of Directors on 27 August 2024.