

MALAKOFF CORPORATION BERHAD

(“MCB” or “the Company”)

TERMS OF REFERENCE OF BOARD RISK AND INVESTMENT COMMITTEE

1. Purpose

The Board Risk and Investment Committee (“BRIC”) is established as a committee of the Malakoff Corporation Berhad (“MCB”) Board of Directors (“the Board”) to oversee the risk management activities of the MCB Group of companies (“Group”). It supports the Board in fulfilling its responsibility for identifying significant risks and ensuring the implementation of appropriate systems to manage the overall risk exposure of the Group

The other primary objective of the BRIC also includes reviewing and recommending to the Board, major investment(s) which may comprise the acquisition and divestment of businesses, companies, land and buildings and the bidding for binding tenders and contracts for new power and water generation projects and assessing the key associated risks, including funding options and costs, and investment returns of such investment in accordance to the Group’s Investment Guideline and Policy.

The BRIC is also responsible to oversee the establishment and implementation of the MCB Group Anti-Bribery Policy.

2. Composition

At least two (2) Non-Executive Independent Directors and one (1) Non-Executive Non-Independent Director

3. Secretary

The Company Secretary shall act as the Secretary of the Committee, unless otherwise determined by the Chairman of the Committee.

4. Quorum

The quorum for the meeting of the BRIC shall be majority of members present.

5. Meetings

At least once in every quarter and at such other times as the Chairman of the Committee considers necessary.

6. Notice

Unless otherwise agreed by the Committee members, notice of each meeting confirming the venue, time and date together with an agenda of items to be deliberated, shall be forwarded to each member of the Committee at least five (5) business days prior to the date of the meeting.

7. Minutes

The Company Secretary shall minute the proceedings and resolutions of all Committee meetings.

Recommendations of the Committee are to be referred to the Board for approval.

Minutes of Committee meetings shall be circulated to all members of the Committee. Minutes shall be confirmed by the Committee and signed by the Chairman.

Approved minutes shall be distributed to all members of the Board for information at the next Board meeting.

8. Functions, Roles and Responsibilities

In fulfilling its objectives, the Committee shall undertake the following functions, roles and responsibilities: -

8.1 Enterprise Risk Management

8.1.1 To review the processes for determining and communicating the Company's risk appetite.

8.1.2 To oversee the establishment, implementation and adequacy of the risk management system of the Group of which the effectiveness of the system is reviewed annually.

8.1.3 To review and approve the risk management framework and policies to be adopted by the Group. The framework is constantly monitored and reviewed to ensure risks and controls are updated to reflect current situation and to ensure its relevance at any given time.

- 8.1.4 To review Management's processes for identifying, analyzing, evaluating and treating risks, as well as communicating the identified risks across the Group.
- 8.1.5 To review periodic reports on risk management of the Group and deliberate on key risk issues highlighted by the Management Risk Committee.
- 8.1.6 To report to the Board on the key risks of the Group and the action plans to mitigate these risks.
- 8.1.7 To provide independent assurance to the Board of the effectiveness of risk management processes in the Group.
- 8.1.8 To invite outside counsel, subject-matter experts and other advisors, to the extent it deems necessary or appropriate, to facilitate expert discussion and seek expert opinion.
- 8.1.9 To carry out such other assignments related to risks as may be delegated by the Board.

8.2 **Investment Review**

The other primary responsibility of the Board Risk Committee is to assist the Board in reviewing and recommending material investment decisions of the Group which may comprise the acquisition and divestment/ disposal of businesses, investments, companies, land and buildings as well as the bidding for any binding tenders and contracts for new power and water generation project, operation and maintenance services and any other businesses of the Group as well as new businesses intended to be pursued by the Group (referred to as "Project") valuing more than **RM500 million** (collectively referred to as "Material Investment Decision").

8.2.1 Authority

- 8.2.1.1. The financial authority of the BRIC is to consider, evaluate and recommend for the approval of the Board of Directors ("Board"), the Material Investment Decision valuing more than RM500 million after taking into consideration the recommendations and justifications made by the Management Investment Committee of the Company.
- 8.2.1.2. To evaluate and review the raising of financing/funding necessary to undertake the Material Investment Decision.

- 8.2.1.3 To perform the activities required to discharge its responsibilities within its terms of reference and make relevant recommendations to the Board;
- 8.2.1.4 To acquire the resources from internal and external professionals, as it deems necessary, to assist the Committee in the proper discharge of its roles and responsibilities, at the expense of the Company; and
- 8.2.1.5 To meet exclusively among itself, whenever deemed necessary. The Committee shall be assisted by the Group Managing Director/Chief Executive Officer, the Chief Financial Officer and the Head of Group Planning & Strategy or any Head of division(s) whatever designation named who are the drivers of the investment initiatives across the MCB Group.

8.2.2 The scope and functions of the BRIC in the review of Material Investment Decision of the Group are set out below: -

8.2.2.1 **Investment Decision**

To review and recommend for the Board's approval of any Material Investment Decision requiring the Board's approval in accordance with established thresholds in the approved Limits of Authority of the Group, focusing on the following:

- Evaluate the risks associated with the investment/divestment/projects, funding options and costs, and investment returns and making its recommendation to the Board for approval of the investment/divestments/projects.
- Advise the Board on potential risk response strategies that need to be adopted in relation to a decision to proceed with the investment/divestments/projects.
- Monitor the execution /operationalization of investments or projects and highlighting key risks to the Board as relevant.
- To review the effectiveness of risk mitigating actions post approval for major investments and projects based on Group Risk Management assessments, and to report the same to the Board.

8.3 **Anti-Bribery Management System**

The BRIC is responsible for the following:

8.3.1 To assist the Board of Directors to oversee the establishment and implementation of an Anti-Bribery Management System.

8.3.2 To regularly review the effectiveness of the Anti-Bribery Management System.

8.4 To undertake any other necessary duties, as mutually agreed by the Committee and the Board.

9. Review of the BRIC Terms of Reference

The Committee Terms of References and work plans shall be reviewed periodically, as and when required, especially when there are changes to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code of Corporate Governance 2017. Any change to the Terms of Reference shall be recommended to the Board for its approval.