

MARINE & GENERAL BERHAD

TERMS OF REFERENCE (RISK MANAGEMENT COMMITTEE)

Revised – 1 May 2025

1. MEMBERSHIP

- (a) The Risk Management Committee (“RMC”) shall be appointed by the Board and shall comprise not fewer than 3 in number.
- (b) The members of the RMC shall elect a Chairman from among their number.
- (c) In the event of any vacancy in the RMC resulting in the number of members being reduced to below 3, the Board shall, within 3 months, fill the vacancy.
- (d) The Board shall have the discretion as it deems fit to rescind and/or revoke the appointment of any person(s) in the RMC.

2. ROLES AND FUNCTIONS

2.1 The RMC has the overall responsibility for overseeing the risk management activities of the Group, approving appropriate risk management procedures and measurement methodologies across the organization as well as identification and management of strategic business risks of the Group. Its primary roles include the following:-

- a) To champion and promote Enterprise Risk Management and to ensure that the risk management process and culture are embedded throughout the Group.
- b) To ensure the implementation of the objectives outlined in the Risk Management Policy and compliance with them.
- c) To provide routine quarterly reporting and update the Board on key risk management issues as well as ad hoc reporting and evaluation on investment proposals.
- d) To work with Management in the preparation of the Statement on Internal Control for inclusion in the Company's Annual Report and to recommend the same for the approval of the Board.

2.2 The RMC also has the following routine roles and responsibilities:

- a) Review the effectiveness of overall risk management at the enterprise level.
- b) Identify new strategic risks including corporate matters e.g. Regulatory, business development, etc.
- c) Review the enterprise risk scorecard and determine the risks to be escalated to the Board on a quarterly basis.

2.3 In addition, the RMC also has the following ad hoc roles and responsibilities:

- a) Propose to the Board the monetary threshold and nature of proposed investments that require the RMC's evaluation and endorsement before submission to the Board.
- b) Review proposals/feasibility studies prepared by project sponsor which meet the requisite threshold before recommending to the Board for final decision.

2.4 The RMC also has the overall responsibility for overseeing the investment activities of the Group, approving appropriate investment appraisal procedures as well as identification of strategic investment opportunities of the Group. Its primary roles include the following:-

- a) To review and recommend to the Board of Directors all acquisitions and divestments of companies (excluding dormant companies) and setting up of new business.
- b) To review and recommend to the Board of Directors major acquisition and disposal of company's assets and properties within the Group.
- c) To consider other matters as referred to the Committee by the Board.

2.5 The RMC also be tasked with assisting the Board in fulfilling its oversight responsibilities in relation to the Sustainability or Environmental, Social and Governance ("ESG") related framework, strategy, priorities, targets, policies, practices, risks and opportunities of the Company and its subsidiaries ("the Group") so as to ensure that the initiatives undertaken by the Group pertaining to sustainability or ESG are integrated and aligned with, promote and encourage the Group's commitment towards sustainability.

3. **MEETINGS**

- (a) The RMC shall meet at any time at the RMC Chairman's discretion.
- (b) The quorum for the meeting shall be 2 members.

- (c) Each member of the Committee is entitled to one (1) vote in deciding the matters deliberated at the meeting. The decision that gained the majority votes shall be the decision of the Committee.
- (d) The Chairman of the Committee shall be entitled to a second or casting vote.
- (e) Members may participate in a meeting of the Committee by means of a conference telephone or similar electronic tele-communicating equipment by means of which all persons participating in the meeting can hear each other and participate throughout the duration of the communication between the members and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

4. **WRITTEN RESOLUTION**

- (a) A resolution in writing signed by all members shall be effectual as if it had been passed at a meeting of the Committee.
- (b) All such resolutions shall be described as "Committee Written Resolutions" and shall be forwarded or otherwise delivered to the Company Secretaries without delay and shall be recorded by the Company Secretaries in the Minutes Book. Any such resolution may consist of several documents in the like form, each signed by one (1) or more members.

The expressions "in writing" or "signed" include approval by legible confirmed transmission by facsimile, telex, cable, telegram or other forms of electronic communications.

5. **REPORTING**

The Chairman of the RMC shall report the proceedings of each Committee Meeting to the Board.

6. **SECRETARY**

The Secretary to the RMC shall be the Company Secretary.