

## **TERMS OF REFERENCE OF BOARD RISK COMMITTEE**

### **1.0 CONSTITUTION**

- 1.1 The Board Risk Committee ("BRC") was established by the Board of Directors ("Board") pursuant to its meeting held on 9 December 2021.

### **2.0 PURPOSE**

- 2.1 The BRC is responsible to provide direction, guidance, and oversight on the following:
- 2.1.1 risk policies, strategies, principal risks and risk practices; and
  - 2.1.2 Environmental, Social & Governance or ESG, compliance and sustainability matters.

### **3.0 MEMBERSHIP**

- 3.1 The members of the BRC shall be appointed by the Board amongst its non-executive directors and shall consist of not less than three (3) members comprising majority of Independent Directors.
- 3.2 At least one member of the BRC must also be a member of the Board Audit Committee ("BAC") to foster a common understanding of the risk management and internal control system, to ensure co-ordination between the various standing Board Committees and to strengthen the risks and governance oversight roles of the BRC.
- 3.3 Members shall be appointed based on their ability to devote time and demonstrate skills, expertise as well as experience relevant to their duties within the remit of the BRC.
- 3.4 The members of the BRC shall elect a Chairman from amongst themselves who is an Independent Director provided always that the Chairman of the BRC shall not be the Chairman of the BAC.
- 3.5 In the event of vacancy in the BRC resulting in the number of members reduced to below three (3), the vacancy must be filled within 3 months or within such extension period approved by the Board.
- 3.6 No alternate Director shall be appointed as a member of the BRC.
- 3.7 The terms of office and performance of the BRC and each of its members shall be reviewed by the Board periodically to determine the performance of the respective BRC members and whether BRC have carried out its duties in accordance with its Terms of Reference.

## **4.0 DUTIES AND RESPONSIBILITIES**

4.1 The duties and responsibilities of the BRC specific to risk management and sustainability risk management are as follows:

### 4.1.1 Risk Management

- (a) Oversee the development and review of risk management policies, to recommend to the Board for approval;
- (b) Make recommendations to the Board concerning risk appetite and levels of tolerance and monitoring those risks are managed within the levels of tolerances as approved by the Board;
- (c) Review, deliberate, report and provide recommendation to Board concerning principal risks monitoring, ensure proper mitigation is in place and risk scanning is performed in anticipation of emerging risks;
- (d) Assist Board to deliberate and evaluate risk assessment on business proposal, new initiatives and any other board decision paper to provide a balanced view of exposures associated with the decision for an informed decision making;
- (e) Co-ordinate the activities with other Board Committees on risk oversight to avoid overlaps in the overall risk oversight process;
- (f) Consider other matters relating to risk management as referred to by the Board as well as feedback from the Management and the external or internal auditors on the effectiveness of risk management system.

### 4.1.2 Environmental, Social & Governance or ESG, Compliance and Sustainability Matters

- (a) Monitor the implementation of ESG including corporate governance practices is consistent with the sustainability risks and corporate governance policies and practices approved by the Board, and guided by the applicable laws and regulations;
- (b) Review the adequacy and effectiveness of KLCC Property Holdings Berhad ("KLCCP") compliance and ethics programme as framework for enhancement and monitoring of good business ethics and conduct of employees and other stakeholders, including the KLCCP Code of Conduct and Business Ethics (CoBE), Anti-Bribery and Corruption Policy and Guidelines (ABC Manual), No Gift Policy as well as ongoing awareness programmes, communication, training and education on compliance;

- (c) Determine and apprise the Board on the appropriate level of sustainability governance in KLCCP according to the sustainability strategy, priorities and targets in alignment with the KLCCP Stapled Group's business strategy; and
- (d) Consider any other matters in relation to ESG, compliance and sustainability as defined by the Board or Board Committees.

## **5.0 MEETINGS**

### 5.1 Frequency

Meetings shall be held not less than 4 times a year and at such other interval(s) as the BRC deems necessary in fulfilling its responsibilities.

### 5.2 Quorum

- (a) A quorum shall be 2 members, both being Independent Directors.
- (b) In the absence of the Chairman for a meeting, the remaining members present shall elect a Chairman amongst themselves to chair the meeting.

### 5.3 Secretary

The Company Secretary or another person authorised by the Chairman of the BRC, shall be the Secretary of the BRC. Minutes of the meetings shall be duly entered in the record of minutes books provided therefor and kept by the Company Secretary.

### 5.4 Attendance

- (a) The Chief Executive Officer, Chief Financial Officer and Head of Group Risk Management Department shall be in attendance at the meetings of the BRC.
- (b) Other Directors, representatives of Management, representatives of the internal auditors and external auditors and other attendees may be invited, at the discretion of the BRC to attend the meetings on matters relevant to them.
- (c) Whilst the preference is for meetings to be conducted in a face-to-face manner or physical meetings, meetings may be held by telephone conferencing, video conferencing or by any digital means, and any member participating via the said means shall be deemed to be present in person and counted as quorum for the meeting.

## 5.5 Reporting Procedure

The Secretary shall circulate the minutes of meetings of the BRC to all members of the Board for notation.

## 5.6 Meeting Procedure

The BRC shall regulate its own procedure, 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, inspection and reproduction of such minutes.

## **6.0 CIRCULAR RESOLUTION**

Subject to the BRC Chairman's agreement, the BRC may pass a resolution by way of circular resolution signed by all BRC members who are eligible to vote shall be as valid and effectual as if it had been passed at a meeting of the BRC called and duly constituted.

All such resolutions shall be described as "Board Risk Committee's Circular Resolutions" and may consist of several documents in the like form, each signed by one (1) or more BRC members and shall be forwarded or otherwise delivered to the Secretary promptly, and shall be recorded by him/her in the Company's minutes book following the receipt thereof. A BRC's resolution in writing signed and transmitted by facsimile or any electronic means shall be deemed to be an original.

## **7.0 RIGHTS/AUTHORITY**

The BRC in performing its duties shall have, as determined by the Board of Directors:

- (a) the authority to investigate any matter within its Terms of Reference;
- (b) the authority to seek full and unrestricted access to any information it requires from any employee and all employees are directed to co-operate with any request made by the BRC;
- (c) direct communication channels with the Head of Group Risk Management and person(s) carrying out the risk management functions or activities;

- (d) the authority to obtain external legal or other independent professional advice, including to invite the attendance of experts and persons with relevant experience and expertise if the BRC considers necessary; and
- (e) be able to convene meetings with the Head of Group Risk Management, external auditors, internal auditors or all of them. while excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

## **8.0 REVISION OF THE TERMS OF REFERENCE**

The BRC may from time-to-time revise or amend its Terms of Reference, provided always that any revisions or amendments are in compliance with applicable laws, directives and guidelines and that thereafter shall be recommended to the Board for approval.

A revised Terms of Reference shall be effective upon approval by the Board.