

PERAK TRANSIT BERHAD

Registration No.: 200801030547 (831878-V)

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE - TERMS OF REFERENCE ("TOR")

1. INTRODUCTION

The Board of Directors ("**Board**") of Perak Transit Berhad ("**Company**") has agreed on the enlargement of the role of the Risk Management Committee to assist the Board in carrying out, among other things, its responsibility to direct and oversee the processes, framework and strategies pertaining to manage environment, social and governance of the Company and its subsidiaries (collectively, the "**Group**"). In line with this, the Risk Management Committee shall be renamed to "Risk Management and Sustainability Committee" ("**RMSC**").

The RMSC shall assist the Board in overseeing the risk management framework, policies and sustainability process of the Group and assess regularly such framework to ascertain its adequacy and effectiveness.

2. COMPOSITION

The RMSC shall be appointed by the Board from amongst their members (who are not alternate directors) and shall have a mixture of risk, business management and sustainability governance knowledge and experience.

The RMSC shall comprise at least three (3) members with a majority of them being independent directors. The Chairman of the Board should not be a member of the RMSC.

The members of the RMSC shall elect a Chairman from amongst their number who shall be an Independent Director.

All members, including the Chairman, shall hold office only as long as they serve as Directors of the Company. If for any reason the number of members of the RMSC fails to comply with the composition requirements, the Board shall within three (3) months of the event, appoint such number of new member as may be required to fill the vacancy.

The term of office and performance of the RMSC and each of its members shall be reviewed by the Board at least once every three (3) years.

The secretary to the RMSC shall be the Company Secretary.

3. AUTHORITY

The RMSC in performing its duties shall:

- (a) have full, free and unrestricted access to any information pertaining to the Group in carrying out its duties;
- (b) be able to obtain external professional advice on any matters within its TOR at the Company's expense; and
- (c) be able to obtain support and co-operation from the management in carrying its duties. The Risk Management and Sustainability Working Group Committee established at the management level is accountable to the RMSC and shall have direct access to the Chairman of the RMSC, if necessary.

The ultimate decisions on all matters shall be the responsibility of the Board as a whole after considering the recommendations of the RMSC.

4. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the RMSC shall include, but not limited to the following:

Risk Management

- (a) Oversee the risk management framework, the Risk Management Policy and all its related policies of the Company and of the Group.
- (b) Review the effectiveness of overall risk management at the enterprise level, the significant risks identified for the Group and the findings highlighted by the Risk Management and Sustainability Working Group Committee and the internal auditors.
- (c) Review and recommend the Group's level of risk tolerance and actively identify, assess and monitor key business risks to safeguard shareholders' investments and the Group's assets and to implement the necessary controls to pursue the objectives.
- (d) Deliberate the evaluation of the key risk areas as well as the controls in place to mitigate or manage these risks.
- (e) Review the annual corruption risk assessment and the report on the appropriate processes, systems and controls in relation to the anti-corruption measures at least once in every three (3) years and to consider any appropriate action to be implemented.
- (f) At the end of each financial year, review the Statement on Risk Management and Internal Control prior to submission to the Board for consideration and approval, for inclusion in the Annual Report of the Company.
- (g) Conduct an annual review and periodic testing of the risk management framework, where necessary. This should include any insights it has gained from the review and any changes made to its risk management framework arising from the review.

Sustainability Management

- (a) Review the sustainability strategy and performance.
- (b) Ensure smooth coordination and implementation of the Sustainability Strategies pertaining to environment, social and governance ("**ESG**").
- (c) Oversee the processes, framework and strategies designed to manage ESG, covering matters such as safety, health, employment practices, environmental practices, human rights, community relations and other relevant sustainability matters.
- (d) Monitor the adoption and effectiveness of sustainability related policies, framework and procedures.
- (e) Review the Group's sustainability key performance against the sustainability strategies and targets.
- (f) Monitor the material sustainability matters relevant to the Group, including climate-related risks and opportunities.
- (g) Drive engagement on sustainability to ensure awareness on sustainability is adopted across the Group.
- (h) Perform such other functions and exercise such other powers as may be delegated to it from time to time by the Board.

5. MEETINGS

The RMSC shall convene scheduled meetings at least two (2) times a year, with additional meetings to be convened at any time at the Chairman's discretion as and when necessary.

The agenda of each scheduled meeting shall be circulated by the Company Secretary to all members of the RMSC at least five (5) days prior to the meeting. Meeting papers should be made available to the members at least three (3) days prior to the meeting. The quorum for each meeting shall be two (2) members.

The Company Secretary shall be in attendance at each meeting and record the proceedings thereat. The minutes of meetings shall be confirmed and signed by the Chairman of the meeting as correct proceedings thereat in the next scheduled meeting unless otherwise determined.

6. CIRCULAR RESOLUTION

A resolution in writing signed or approved by letter, email, telex, telefax or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as "Risk Management and Sustainability Committee's Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one or more directors.

7. REPORTING

The RMSC, through its Chairman, shall report a summary of significant matters to the Board at the next Board meeting after each RMSC meeting. When presenting any recommendations to the Board for approval, the RMSC will provide such background and supporting information as may be necessary for the Board to make an informed decision.

8. REVISION AND/OR UPDATE

The RMSC shall recommend any changes to its TOR in such manner as the RMSC deems appropriate to the Board for approval.

The TOR shall be assessed, reviewed and updated where necessary such that when there are changes to the Malaysian Code on Corporate Governance, Main Market Listing Requirements or any other regulatory requirements. It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the RMSC's role.

This TOR is approved by the Board of Directors on [22 February 2024].