



PROGRESSIVE IMPACT CORPORATION BERHAD

(Company No: 203352-V)

(Incorporated in Malaysia)

TERMS OF REFERENCE OF THE BOARD RISK MANAGEMENT COMMITTEE

1. MEMBERSHIP

- (a) The Board Risk Management Committee (“BRMC”) shall be appointed by the Board and shall comprise not fewer than 2 in number.
- (b) The members of the BRMC shall elect a Chairman who must be a member of the Board.
- (c) In the event of any vacancy in the BRMC resulting in the number of members being reduced to below 2, 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 BRMC.

2. ROLES AND FUNCTIONS

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

- (a) Champion and promote the Enterprise Risk Management (i.e. risk awareness and training) and to ensure that the risk management process and culture are embedded throughout the Group.
- (b) Ensure the implementation of the objectives outlined in the Risk Management Policy and compliance with them.
- (c) Provide routine quarterly reporting and update the Board on the key risks together with their mitigation plan as well as ad hoc reporting and evaluation on investment proposals.
- (d) Deliberate and review the draft Statement of Risk Management and Internal Control (prepared by the management and the appointed Internal Auditor) for inclusion in the Company’s Annual Report and to recommend the same for the approval of the Audit Committee and Board.

2.1 Routine Roles and Responsibilities

- (a) Review the effectiveness of overall risk management at the enterprise level;
- (b) Design, implement and monitor the risk management framework in accordance with the company's strategic vision and overall risk appetite;
- (c) Identify the risks relevant to the business of the company and measure the likelihood of the occurrence and the financial and non-financial impact to the organization;
- (d) Follow-up on management action plans;
- (e) Identify new strategic risks including corporate matters e.g. regulatory, business development, etc., and promptly bring these to the attention of the BRMC.

2.2 Ad Hoc Roles and Responsibilities

- (a) Propose to the Board, the monetary threshold and nature of proposed investments that require the BRMC'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 before final decision.

3. **CORPORATE RISK MANAGEMENT COMMITTEE ("CRMC")**

- 3.1. The Corporate Risk Management Committee ("CRMC") shall be appointed by the BRMC and shall comprise of the following:-
 - (a) Group Financial Controller ("GFC")
 - (b) Head of the respective companies
 - (c) Group Risk and Compliance Manager
 - (d) Group Legal & Secretarial Manager
 - (e) Group HR Manager
 - (f) Head of Facilities and Maintenance
 - (g) Risk Managers of the respective companies
 - (h) Or any other officer as deemed fit
- 3.2. The Group Executive Director (based on the authority delegated by BRMC) shall appoint a Chairman from among the CRMC members.
- 3.3. The Group Risk and Compliance Manager shall be the Secretary to the CRMC and is responsible to prepare necessary papers and minutes for the CRMC as well as BRMC meetings.
- 3.4. BRMC shall have the discretion as it deems fit to rescind and/or revoke the appointment of any person(s) in the CRMC.

- 3.5. CRMC will meet on a monthly basis and will assist the BRMC by identifying and managing operational risks within the organization. On quarterly basis, the CRMC provides updates to the BRMC on the key risks together with their mitigation plan.

4. MEETINGS

- (a) At least 4 BRMC meetings are held in a year. However, additional meetings may be called at any time at the BRMC Chairman's discretion.
- (b) Both members of the BRMC have to be present in each meeting. The reasonable notice of the BRMC meetings shall be circulated before each meeting to members of the BRMC by fax or e-mail or post or courier.
- (c) The BRMC meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables the BRMC members to participate for the entire duration of the meeting, and that all information and documents for the meeting must be made available to all members prior to or at the meeting.
- (d) The Company shall cause minutes of all proceedings of the BRMC Meetings to be entered in books kept for that purpose.
- (e) Minutes of each meeting signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting shall be evidence of the proceedings to which it relates.
- (f) The books containing the minutes of proceedings of the BRMC Meetings shall be kept by the Company at the Registered Office or any other place as may be determined by the Board and shall be open to the inspection of any members of the Board of Directors or BRMC members without charge.
- (g) The BRMC is also allowed to carry out their resolutions by way of a Circular Resolution. A resolution in writing signed or approved via letter, telex, facsimile, email by all BRMC members shall be effective for all purposes as a resolution passed at a meeting of the BRMC duly convened, held and constituted. Any such resolution may be contained in a single document or may consist of several documents all in the like form signed by one or more members.

5. REPORTING

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

6. SECRETARY

The Group Risk and Compliance Manager or such substitute as appointed by the Board or BRMC from time to time shall be the Secretary of the BRMC.

Revision Approved by the Board on 28 February 2019.