

ZHULIAN®

ZHULIAN CORPORATION BERHAD

Company No. 199701000031 (415527-P)

(Incorporated in Malaysia)

TERMS OF REFERENCE

**RISK MANAGEMENT AND
SUSTAINABILITY COMMITTEE**

1. Objectives

The Risk Management and Sustainability Committee (“the Committee” or “RMSC”) is established in accordance with the Malaysian Code on Corporate Governance (MCCG) to:

- Ensure that a **risk management and sustainability framework** is embedded across Zhulian Corporation Berhad and its subsidiaries (“the Group”).
- Provide oversight of the Group’s risk governance and sustainability strategy, integrating Environmental, Economic, and Social (“EES”) factors into business decisions.
- Support the Board in identifying, evaluating, and managing material risks and sustainability opportunities to enhance resilience and long-term value creation.

2. Composition

- The Committee shall consist of Directors of the Group, the majority of whom must be Independent Non-Executive Directors.
- The Committee shall comprise no fewer than two (2) members.
- Membership ceases automatically if a member is no longer a Director or as determined by the Board.
- The members of the Committee shall elect a Chairman from among themselves, who must be an Independent Non-Executive Director.
- In the absence of the Chairman, an independent member present shall chair the meeting.
- Any vacancy shall be filled within three (3) months.

3. Secretary

The Company Secretary shall be the Secretary of the Committee or, in her absence, another person authorised by the Chairman.

4. Meetings

- The Committee shall meet at least once a year, or more frequently as required.
- Meetings may be held physically or through electronic/telecommunication means.
- Written resolutions signed by a majority of members (including at least one Independent Director) shall be valid as if passed in a duly convened meeting.

5. Quorum & Voting

- The quorum shall be two (2) members.
- Each member shall have one (1) vote.
- Decisions shall be made by majority; in the event of equality, the Chairman shall have a casting vote.

6. Attendance by Invitation

The Committee may invite other Directors, senior executives, employees, or external advisers to attend meetings where necessary.

7. Authority

The Committee is authorised by the Board to:

- Access all information and resources required.
- Obtain independent professional advice.
- Secure attendance of external advisers or other persons as deemed appropriate.

8. Duties and Responsibilities

The responsibilities and duties of RMSC are as follows:

8.1 Enterprise Risk and Internal Control Oversight

- Define and recommend to the Board the Group's **risk appetite and tolerance levels**.
- Review, endorse, and monitor the **Enterprise Risk Management (ERM) framework**, policies, and internal control systems.
- Evaluate the Group's **risk profiles, key risk exposures, and treatment strategies**, ensuring alignment with strategic objectives.
- Oversee risk assessments for **strategic initiatives, acquisitions, divestments, investments, and joint ventures**.
- Ensure that a **risk-aware culture** is embedded across all levels of the organisation.
- Assess the adequacy, independence, and resourcing of the risk management function.

8.2 Regulatory Compliance and Ethical Conduct

- Monitor compliance with **laws, regulations, Bursa Malaysia Securities Berhad's requirements, MCCG, and internal policies**.
- Oversee implementation of the **Anti-Bribery & Corruption Policy (ABAC)**, whistleblowing channels, and integrity frameworks.
- Review reports of material regulatory findings or breaches, ensuring corrective measures are implemented.

8.3 Sustainability, ESG and Occupational Health & Safety

- Guide the Group's **sustainability strategy, priorities, and targets**, ensuring integration with long-term business plans.
- Oversee frameworks and processes addressing **environmental, social, and governance (ESG) risks**, including climate-related risks and opportunities.
- Monitor **sustainability KPIs**, progress against commitments, and the preparation of the Group's annual **Sustainability Statement and Report**.
- Receive updates from the OSH Committee and review measures to ensure **safe and healthy workplaces**, compliance with OSH laws, and continuous improvement in safety culture.
- Promote organisation-wide awareness and engagement on sustainability and ESG responsibilities.

8.4 Governance, Legal and Business Continuity

- Review and recommend significant **legal, governance, and compliance frameworks, policies, and disclosures**.
- Provide oversight on **major legal matters, litigation, or settlements** beyond Management's authority.
- Oversee the Group's **Business Continuity Management framework**, ensuring resilience to disruptions through tested recovery plans, communication protocols, and stakeholder response mechanisms.
- Support strong corporate governance by ensuring integrity, accountability, and transparency in the Group's operations and disclosures.

8.5 Reporting and Continuous Improvement

- Report to the Board on the Committee's deliberations, decisions, and recommendations, supported by meeting minutes.
- Ensure the Group's risk and sustainability reporting is **transparent, accurate, and aligned with international standards**, such as ISO 31000, IFRS S1/S2, GRI Standards, TCFD recommendations and Bursa Malaysia's Sustainability Reporting Requirements.
- Periodically review the adequacy and effectiveness of the Committee's Terms of Reference ("TOR"), recommending improvements to the Board.
- Undertake any additional duties assigned by the Board to ensure comprehensive oversight of risk and sustainability matters.

9. Reporting Procedures

- The Secretary shall maintain minutes of Committee meetings.
- The Committee, through its Chairman, shall report to the Board after each meeting on key deliberations and recommendations.

10. Review of Terms of Reference

This TOR shall be reviewed periodically to ensure ongoing relevance and effectiveness and amendments are to be approved by the Board.