

CAPITAL A BERHAD
(formerly known as AIRASIA GROUP BERHAD)

[Registration No.: 201701030323 (1244493-V)]

("Capital A" or "the Company")

Risk Management and Sustainability Committee

Terms of Reference

TERMS OF REFERENCE

Item	Name of Committee	:	Risk Management and Sustainability Committee (“the Committee”)
1	Applicable laws / Guidelines	:	<p>Including but not limited to:</p> <ul style="list-style-type: none"> (a) the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) including but not limited to the Capital Markets and Services Act 2007 (“CMSA”); (b) the Companies Act 2016 (“CA”); (c) the Malaysian Code on Corporate Governance 2021 issued by the Securities Commission (“MCCG”); and (d) where applicable, the provisions of the Constitution of the Company.
2	Objectives/Principles	:	<p>The Committee is established as a committee of the Board of Directors (“Board”) to oversee the risk management and sustainability initiatives of the Company and the Capital A group of companies (“the Group”). It supports the Board in fulfilling its responsibility for identifying significant risks and ensuring the implementation of appropriate systems to manage the overall risk and sustainability exposure of the Group. The Committee’s primary objectives are as follows:</p> <ul style="list-style-type: none"> (a) to have oversight over the establishment and implementation of risk management framework, sustainability management framework and information security management framework; (b) to review the effectiveness of the risk management framework and sustainability management framework in identifying and managing risks and the internal processes which include but not limited to ensuring the adequacy of risk management and sustainability policies and infrastructure to facilitate the implementation of action plans for risk and sustainability management; and (c) to review the key risks associated with proposed major investments which are subject to the Board's approval as per the Company's Limits of Authority, prior to the submission of such proposal to the Board.

3	Roles and Responsibilities	<p>: In order to fulfil its responsibilities to the Board, the Committee shall</p> <p>Risk Management:</p> <ul style="list-style-type: none"> (a) oversee and recommend the risk management strategies, frameworks & policies of the Group; (b) review and recommend changes as needed to ensure that the Group has in place at all times a Risk Management policy which addresses the strategic, operational, financial and compliance risks; (c) implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the Group's business risks; (d) develop and inculcate a risk awareness culture within the Company; (e) review periodic reports from management on risk management activities and effectiveness of managing the Company's principal risks; (f) review major investment business cases as per item 2 above and assessing the key associated risks, including funding options and costs, and investment returns prior to the Board's approval; (g) oversee specific risk management concerns raised by business units; (h) review the Group and its subsidiaries' risk profiles and evaluate the measures taken to mitigate the business risks; (i) ensure resources and systems are in place for the risk management function; (j) compile a report to shareholders on its own activities to be included in the Company's Annual Report; (k) review of the disclosure in the statement on risk management and internal control in the Company's Annual Report; and (l) provide salient updates on insurance matters, especially with regards to renewals, premiums and Claims. (m) To maintain the companies Anti Bribery and Anti Corruption Policy framework which is in line with best practices and appropriate International Standards and Guidelines. It will further assess and monitor the Bribery and Corruption Risk across the Group in relation to all Strategies, Projects, and Transactions. <p>Sustainability:</p> <ul style="list-style-type: none"> (a) Review and recommend appropriate sustainability strategies, policies, principles and practices which are applicable to the Company. (b) Provide oversight and assess the Company's sustainability strategies, policies, principles and practices aligning it to the commitment of the Company towards sustainability. (c) Provide direction and advice on listing on key sustainability indexes that enhance investor valuation of the Company. (d) Review and advise on the Sustainability Report and other issues relating to this report prior to reporting to the Board.
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		<ul style="list-style-type: none"> (e) Provide assurance to the Board on the quality and technical content of the sustainability information used by the Company. (f) Review any issues/ matters relating to sustainability arising and/or highlighted by the independent auditors and/or advisors. (g) Oversee any concerns/allegations raised by stakeholders that involve the public sentiments and government regulations. (h) Provide direction and oversight on the internal sustainability function and working group. (i) Approve the appointment of an independent sustainability advisor and assign tasks to them, if necessary. (j) Ensure proper process and procedures in accordance with relevant laws, regulations and rules. <p>Information Security:</p> <ul style="list-style-type: none"> (a) Provide oversight on the application of data protection and information security management framework. (b) Ensure an accountable officer has authority and responsibility to coordinate cyber-risk strategy throughout the organisation and that the organisation has a comprehensive plan for data governance. (c) Review periodic reports from the accountable officer of information security on cyber-risks and the effectiveness of data protection and information security management framework. (d) Set expectations that cybersecurity and cyber-risk functions are to receive adequate staffing and funding. (e) Require management to integrate cyber-risk analysis into significant business decisions (e.g. launching a new product or publishing an app), along with effective assurances of the information's quality and comprehensiveness.
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4	Authority	: The Committee is authorised by the Board and at the expense of the Group to perform the following: (a) secure the resources in order to perform its duties as set out in this terms of reference; (b) have direct communication channels with and unrestricted access to Senior Management including without limitation, its information, records, reports, properties and personnel; (c) instruct Risk Management Department, Sustainability Department and Information Security Department to perform duties as necessary to support the Committee in discharging its functions and duties. The Heads of Risk and Sustainability Departments are accountable to the Committee and shall have direct access to the Chairman of the Committee, if necessary; and (d) obtain independent professional advice.
5	Members	: Members of the Committee shall be appointed by the Board and shall comprise of at least three (3) members, all of which shall be non-executive directors of which at least a majority of whom shall be independent directors. For the avoidance of conflict of interest, a member of the Committee shall abstain from participating in discussions and decisions on any matters involving him/her. In the event of any vacancies in the Committee resulting in the number of members is reduced below three (3), the Board shall, within three (3) months appoint such number of new members as may be required to make up the minimum of three (3) members. Each appointed Committee member shall hold office until the earlier of: (i) such time as the Board determines to terminate his/her appointment; or (ii) the Committee member ceasing to be a member of the Board. Where there is a specific need for information or clarification on any matters, the relevant employee may be invited to attend the specific part(s) of the Committee's meeting(s).
6	Chairman	: The Chairman of the Committee shall be appointed by the Board. In the absence of the Chairman and/or a deputy appointed by the Board in any meeting, the remaining members present shall elect one of themselves to chair the meeting.
7	Quorum	: The quorum for meetings shall be at least two (2) members, of which one shall be an independent director. A duly convened meeting of a Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
8	Frequency and notice of meetings	: The Committee shall meet not less than four (4) times a year and at such other times as the Chairman of the Committee considers necessary or appropriate.

			<p>Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chairman of the Committee.</p> <p>Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than seven (7) calendar days before the date of the meeting. Reasonable time should be given for the Committee members and to other attendees as appropriate, to consider all relevant papers and materials prior to the Committee meeting.</p>
9	Voting, Proceedings and Minutes of meeting	:	<p>Matters arising at any meeting shall be decided by a majority vote of the members present, each member having one (1) vote. In the event of equality of votes, the Chairman of the Committee shall have a second or casting vote. However, at meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairman of the Committee will not have the second or casting vote.</p> <p>The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. The minutes of the Committee, when approved by the Committee, should be circulated to the Board.</p> <p>The Committee may approve administrative/non-material matters by circular resolution</p>
10	Reporting structure	:	<p>The Chairman of the Committee will report formally to the Board on the key aspects of its proceedings after each meeting. The Committee shall not be delegated with decision making powers but shall report its recommendations to the Board for decision.</p> <p>The Committee Chairman shall respond to any questions relating to the Committee's activities at the Annual General Meeting of Capital A's shareholders, where required.</p>
11	Secretary	:	<p>The Company Secretary shall act as Secretary of the Committee and shall be responsible, with the concurrence of the Chairman of the Committee, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.</p> <p>The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee, including the names of those present and in attendance. Meeting minutes shall be approved by the Committee at its next meeting.</p> <p>The minutes of the Committee, when approved by the Committee and signed by the Chairman of the Committee, should be circulated to the Board.</p> <p>Company Secretary of the Company shall be working together with personnel from the Risk Management Department, Sustainability Department and Information Security Department.</p>

12	Review of the Terms of Reference	:	<p>The Terms of Reference of the Committee has been approved by the Board on 29 November 2022.</p> <p>The Committee shall conduct annual review of its own performance and terms of reference to ensure its effectiveness and recommend any changes to the Board, as it considers necessary and in compliance with any regulations.</p> <p>The Terms of Reference shall be reviewed annually or as and when there are relevant changes on legal and regulatory requirements.</p>
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