

TERMS OF REFERENCE OF BOARD RISK, SUSTAINABILITY AND COMPLIANCE COMMITTEE

1. COMPOSITION

- 1.1. The Board Risk, Sustainability, and Compliance Committee (“**BRSCC**” or “**the Committee**”) shall be formed by the Board of Directors of the Company (“**Board**”) and the BRSCC members shall be appointed by the Board from amongst the Board members.
- 1.2. The functions and authority of the BRSCC extend to Pos Malaysia and all its subsidiaries as well as joint venture and associate companies where the management’s responsibility is vested on Pos Malaysia or subsidiaries of Pos Malaysia (collectively referred to as the “**Group**”).
- 1.3. The members of the BRSCC shall be appointed by the Board of Directors of Pos Malaysia and shall consist of not less than three (3) members, a majority of whom shall be Independent Non-Executive Directors.
- 1.4. The Chairman of the BRSCC shall be an Independent Non-Executive Director and shall be appointed by the Board.
- 1.5. If the membership for any reason falls below three (3) members, the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to fulfil the minimum requirement.
- 1.6. The appointment of a BRSCC member terminates when the member ceases to be a director or as determined by the Board.
- 1.7. Any matter to be voted upon shall be decided by a majority of the votes cast on the question. In the event of equality of votes, the Chairman of the BRSCC shall have a casting vote.
- 1.8. The BRSC Committee shall be dissolved upon recommendation and decision of the Board.

2. **OBJECTIVE**

2.1. The primary objective of the BRSCC is to oversee the following:

- (i) Group risks management;
- (ii) Group Sustainability related matters including Environmental, Social and Governance (“**ESG**”); and
- (iii) Compliance related matters which are identified and assessed by the Risk, Sustainability and Compliance Committee (“**RSCC**”).

The BRSCC shall thereafter report and make the necessary recommendations to ensure that the said matters are aligned with the Group’s long-term strategies.

3. **AUTHORITY**

3.1. The BRSCC has the authority to carry out the functions as stated in its Terms of Reference and report to the Board with recommendations.

3.2. The BRSCC shall have the authority to provide objective and independent views on any specific risk, sustainability, and compliance matters as well as the overall effectiveness of the risk, sustainability and compliance frameworks within the Group.

3.3. The BRSCC wherever necessary and reasonable for the performance of its duties, shall in accordance with the same procedures adopted by the Board:-

- (a) Have full and unrestricted access to any employee and information pertaining to the Group;
- (b) Have full support of the Risk Management Department, Compliance Department, Sustainability Department, and any other departments/units within the Group as it may deem necessary; and
- (c) Engage independent professional advisers or other advisers and secure attendance of outsiders with relevant experience and expertise if it considers this necessary.

- 3.4. On risk management and compliance oversight roles, the BRSCC is assisted by the RSCC established at the management level. The RSCC is responsible for formulating the risk management and compliance policy and framework, monitoring its implementation, ensuring that appropriate controls are in place and submitting risk and compliance reports to the BRSCC periodically.
- 3.5. On governance of sustainability oversight roles, the BRSCC is assisted by the Sustainability Steering Committee (“**SSC**”) established at the management level. The SSC is responsible for providing strategic direction for Sustainability related matters and recommending a direction that aligns the sustainability targets to the overall goals of the Group including assessing ESG risk and opportunities.

4. FUNCTIONS AND DUTIES

- 4.1. The BRSCC shall:-
 - 4.1.1. Provide oversight, guidance and direction to the Group’s risk management functions and processes but not limited to the Enterprise Risk Management (“ERM”) (including Business Continuity and Crisis Management), Cybersecurity, Privacy, Ethics & Integrity Compliance, and Regulatory Compliance.
 - 4.1.2. Formulate the risk appetite at the Group level and establish strategic content in ensuring risk management strategies are complete and sustainability efforts are aligned with long-term business strategies taking into account the environment in which the Group operates and the requirement of all stakeholders and the Board.
 - 4.1.3. Ensure that Management integrates the necessary risk management processes into all business processes of the Group.
 - 4.1.4. Evaluate the effectiveness of the ERM framework, management processes and support system to identify, assess, monitor and manage the Group’s key risks.

- 4.1.5. Review the risk identification and management process developed by Management to confirm that it is consistent with the Group's strategy and business plan.
- 4.1.6. Review Management's assessment of risk on a quarterly basis and provide quarterly updates to the Board.
- 4.1.7. Enquire Management and the independent auditor about the exposure to such risks in relation to significant business, political, financial and control risks.
- 4.1.8. Assess the steps/actions that Management has implemented or wish to implement to manage and mitigate identifiable risk, including the use of hedging and insurance.
- 4.1.9. Deliberate on compliance related matters and of the Group and review the effectiveness of systems for monitoring compliance with laws and regulations.
- 4.1.10. Review findings, material issues or non-compliances highlighted by the regulatory authorities in relation to the regulated businesses of the Group.
- 4.1.11. Deliberate, review and evaluate the existing compliance framework and recommend measures for improvement by adopting the best practices.
- 4.1.12. Review and ensure that the sustainability efforts are aligned to the Group's long-term business and strategy, to ensure that the Group remains resilient, able to deliver durable and sustainable values as well as maintain the confidence of its stakeholders.
- 4.1.13. Ensure effective management of significant and material sustainability matters (i.e. economic, environmental, social impacts) impacting the principal businesses of the Group.

- 4.1.14. Ensure that sustainability is integrated within key business strategies towards the collective achievement of sustainability goals across the Group.
- 4.1.15. Ensure that the statement(s) on the Risk Management and Sustainability of the Company for every financial year is disclosed in the Company's Annual Report. Alternatively, for sustainability statement, the BRSCC is to provide a consolidated sustainability reporting and assurance to the Board to support the relevant statement(s) for disclosure in the Company's Annual Report.
- 4.1.16. Perform any other roles and responsibilities as may be required by the Board from time to time and/or which are related to the objectives of the Committee subject to the Limits of Authority of the Company.

5. MEETINGS AND PROCEDURES

- 5.1. Meetings of the BRSCC shall be held at least once in every quarter in a financial year of the Company.
- 5.2. Attendance of a meeting may be by being present in person or by participating via video-conferencing or tele-conferencing.
- 5.3. Upon the request of any member of the BRSCC, the Chairman of the BRSCC shall convene a special meeting of the BRSCC to consider any matter brought up by the member.
- 5.4. The quorum for a meeting of the BRSCC shall be two (2) members, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other. In the absence of the Chairman of the BRSCC, the members present shall elect an Independent Non-Executive Director from amongst the members present to be chairman of the meeting.

- 5.5. The meetings of the BRSCC shall be governed by the provisions as contained in the Constitution of Pos Malaysia for regulating the meetings and proceedings of the Directors unless otherwise provided for in these Terms of Reference.
- 5.6. The BRSCC may request other Directors, members of Management, counsels and consultants as applicable to participate in Committee meetings, as and when necessary.
- 5.7. The meetings of the BRSCC shall be attended by the Group Chief Executive Officer and the respective Heads of Risk Management, Compliance and Sustainability Departments.
- 5.8. A Committee member shall disclose/declare any conflict of interest situation and shall abstain from voting on the resolution which may give rise to an actual or perceived conflict of interest situation.
- 5.9. The Secretary of the BRSCC shall be the Company Secretary of the Company or any other person as the Committee may decide.
- 5.10. The BRSCC meeting agendas shall be the responsibility of the Chairman of the BRSCC with input from the BRSCC members. The Chairman of the BRSCC may also ask Management and others to participate in this process.
- 5.11. Unless a meeting is called on a short notice basis, the agenda and meeting papers for each meeting shall be circulated at least five (5) calendar days before each meeting to the BRSCC members.
- 5.12. Minutes of the BRSCC meetings shall be tabled at the meeting of the Board.
- 5.13. The BRSCC shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the BRSCC. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held, or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes of the BRSCC meeting shall be available to all Board members.

- 5.14. Upon conclusion of each BRSCC meeting, the BRSCC's Chairman shall present a report to the Board at its Board meeting. While presenting any recommendation to the Board, the BRSCC will also provide such background and supporting information, as may be necessary, for the Board to make an informed decision.
- 5.15. The Chairman of the BRSCC shall be available to answer any questions regarding the BRSCC, at the general meetings of the Company.

6. CIRCULAR RESOLUTION

- 6.1. A resolution in writing signed by all members shall be valid and effectual as if it had been passed at a meeting of the BRSCC. All such resolutions shall be described as "Board Risk, Sustainability and Compliance Committee 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 the like form, each signed by one (1) or more members. The expressions "in writing" or "signed" include approvals by legible confirmed transmissions by facsimile or other forms of electronic communications.

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