



# **BINTULU PORT HOLDINGS BERHAD GROUP OF COMPANIES**

**TERMS OF REFERENCE FOR THE  
RISK AND SUSTAINABILITY COMMITTEE**

30 May 2023

# BINTULU PORT HOLDINGS BERHAD

## TERMS OF REFERENCE FOR THE RISK AND SUSTAINABILITY COMMITTEE

### 1.0 INTRODUCTION

- 1.1 The Board of Directors (“the Board”) has the overall responsibility for risk oversight and risk management within Bintulu Port Holdings Berhad Group of Companies (“the Group”).
- 1.2 As a committee of the Board, the Risk and Sustainability Committee is responsible to the Board of Directors in the following manners —
  - 1.2.1 to provide guidance in relation to the management of the Group’s business risks;
  - 1.2.2 to oversight on the establishment and implementation of risk management framework, policies, and practices;
  - 1.2.3 to advise the Board on Risk-related issues or aspects as requested by the Board or, in the opinion of the Risk and Sustainability Committee, require Board’s attention;
  - 1.2.4 to oversee the implementation and execution of the Group’s objectives and strategy in respect of Economic, Environmental, Social, and Governance (“EESG”) issues;
  - 1.2.5 to oversee development of metrics and measures to monitor EESG, including risks and opportunities identified within the ESG Strategy and monitor progress on performance against these metrics and measures; and
  - 1.2.6 to review the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy to facilitate the implementation of action plans for risk management.

### 2.0 COMPOSITION

- 2.1 The members of the Risk and Sustainability Committee shall be appointed by the Board from amongst its Non-Executive Directors.
- 2.2 The Risk and Sustainability Committee shall consist of a minimum of three (3) members, at least two (2) of whom shall be Independent Non-Executive Directors.

- 2.3 At least one (1) member of the Risk and Sustainability Committee of Bintulu Port Holdings Berhad must also be a member of the Audit Committee of Bintulu Port Holdings Berhad. This is to foster a common understanding of the risk management and internal control system and ensure coordination between the various standing Board Committees of Bintulu Port Holdings Berhad in its risk and governance oversight roles.

### **3.0 CHAIRMAN**

- 3.1 The Chairman of the Risk and Sustainability Committee shall be an Independent Non-Executive Director.
- 3.2 In the absence of the Risk and Sustainability Committee Chairman from any meeting, one (1) of the members of the Risk and Sustainability Committee, who shall be an Independent Non-Executive Director, shall be elected as Chairman to chair the meeting.
- 3.3 The Chairman of the Risk and Sustainability Committee shall not be a Chairman of the Board.

### **4.0 SECRETARY**

- 4.1 The Company Secretary or any authorised person shall be the secretary of the Committee (the "Secretary").
- 4.2 The Secretary shall provide assistance to the members of the Committee, including, but not limited to, assisting the Risk and Sustainability Committee Chairman in planning the work of the Committee, formulating meeting agendas, maintenance of committee minutes, collation and distribution of information required by the Committee and providing practical support, as and when needed.

### **5.0 QUORUM**

The quorum shall be two (2) members, with at least one (1) member present shall be an Independent Non-Executive Director.

### **6.0 MEETINGS AND PROCEDURES**

- 6.1 Meetings of the Risk and Sustainability Committee may be conducted by means of telephone conference, video conference or any other form of audio or audio-visual instantaneous communication and the participation in the meeting pursuant to this provision shall constitute presence in person at such meeting.

- 6.2 The Risk and Sustainability Committee may regulate its own procedure, in particular of —
- 6.2.1 the calling of meetings;
  - 6.2.2 the notice to be given of such meetings;
  - 6.2.3 the voting and proceedings of such meetings;
  - 6.2.4 the keeping of minutes; and
  - 6.2.5 the custody, production, and inspection of such minutes.
- 6.3 The minutes of such a meeting signed by the Risk and Sustainability Committee Chairman or Chairman of the meeting shall be conclusive of any meeting conducted as aforesaid.
- 6.4 Risk and Sustainability Committee meetings shall be held at least four (4) times a year during each financial quarter.
- 6.5 Risk and Sustainability Committee meetings may be called, at any other time, by the Risk and Sustainability Committee Chairman or any member of the Risk and Sustainability Committee.
- 6.6 The Risk and Sustainability Committee shall have full discretion to invite any Director or members of the Management to attend its meetings.

## **7.0 RESOLUTIONS IN WRITING**

- 7.1 The Risk and Sustainability Committee may pass resolutions by circulation.
- 7.2 A resolution in writing signed by a majority of Risk and Sustainability Committee members, including at least one (1) Independent Non-Executive Director, shall be as valid and effectual as if it had been passed at a meeting of the Risk and Sustainability Committee duly called and constituted.
- 7.3 These resolutions may consist of several documents in original or facsimile in the like form each signed by one or more members.

## **8.0 PRINCIPAL DUTIES AND RESPONSIBILITIES**

In order to fulfil its responsibilities to the Board, the Committee shall —

- 8.1 oversee and recommend the risk management policies and procedures of the Group;
- 8.2 oversee, recommend and ensure the implementation of compliance and corruption risk framework and policies of the Company;

- 8.3 oversee the implementation and execution of the Group's objectives and strategy in respect of EESG issues;
- 8.4 oversee development of metrics and measures to monitor ESG, including risks and opportunities identified within the EESG Strategy and monitor progress on performance against these metrics and measures;
- 8.5 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;
- 8.6 oversee the implementation and maintenance of a sound risk management framework which identifies, assesses, manages and monitors the Group's business risks;
- 8.7 set reporting guidelines for management to report to the Committee on the effectiveness of the Group's management of its business risks;
- 8.8 review the Group and its subsidiaries' risk profiles and evaluate the measures taken to mitigate the business risks;
- 8.9 ensure that there is a robust process in place for identifying, managing, and monitoring critical risks;
- 8.10 oversee the execution of aforementioned process and ensure it is continuously improved as the business environment changes; and
- 8.11 oversee the management of certain risks, with regard to the complexity and significance of these risk exposures.

## **9.0 RIGHTS AND AUTHORITY**

- 9.1 Wherever necessary and reasonable for the performance of its duties, the Risk and Sustainability Committee is empowered by the Board with the rights and authority to execute any matters within its terms of reference at the cost which shall be borne by Bintulu Port Holdings Berhad.
- 9.2 The Risk and Sustainability Committee shall have —
  - 9.2.1 the resources which are required to perform its duties;
  - 9.2.2 full and unrestricted access to all information and documents within the Group to perform its duties;
  - 9.2.3 the right to obtain independent professional or other advice;
  - 9.2.4 the right to regulate its own procedure on the calling of meeting and meet as and when required on a reasonable notice;

- 9.2.5 the right to pass resolutions by a simple majority vote from the Risk and Sustainability Committee members;
- 9.2.6 the right to provide recommendations to the Board for consideration; and
- 9.2.7 the authority to investigate any matter within its terms of reference.

## **10.0 REVIEW OF THE TERMS OF REFERENCE**

- 10.1 The Risk and Sustainability Committee shall recommend any change to its terms of reference in such manner as the Risk and Sustainability Committee deems appropriate to the Board for approval.
- 10.2 The terms of reference shall be assessed, reviewed and updated as and when necessary or when there are changes to the Malaysian Code of Corporate Governance, Main Market Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirement.
- 10.3 It shall also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the Risk and Sustainability Committee's role and to ensure that it reflects current best practice in corporate governance and risk management.

## **11.0 DATE EFFECTIVE**

This Terms of Reference for the Risk and Sustainability Committee shall be in effect from 30 May 2023.

*First approved and published on 29 November 2021.  
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