

## LEADER ENERGY HOLDING BERHAD

[Registration No. 202101022179 (1422479-U)]

# Terms of Reference of the Risk Management Committee

<b>DOCUMENT ID</b> N.A.	<b>TITLE</b> Terms of Reference of the Risk Management Committee	<b>RELEASE DATE</b> 23/03/2023
<b>REVISION</b> 0	<b>PREPARED BY</b> Corporate Secretarial Department	
<b>EFFECTIVE DATE</b> 23/03/2023	<b>REVIEWED &amp; APPROVED BY</b> Risk Management Committee & Board of Directors	<b>DATE REVIEWED &amp; APPROVED</b> 23/03/2023

The Risk Management Committee of Leader Energy Holding Berhad (“Company”) has established a formal procedure that clearly sets out its role and provides it with all the necessary powers and rights to perform that role.

The Risk Management Committee serves as a board committee to assist the Board in executing the duty of overseeing the Company and its subsidiaries (“Group”) risk management framework and policies.

## **1. Composition**

### Membership

- 1.1 The members of the Risk Management Committee shall be appointed by the Board amongst their members and shall comprise at least three (3) members and all of whom must be Non-Executive Directors with a majority of whom must be Independent Non-Executive Directors.
- 1.2 The Chairman of the Board must not be a member of the Risk Management Committee.

### Chairman

- 1.3 The members of the Risk Management Committee shall elect a Chairman from amongst their members who shall be an Independent Non-Executive Director.
- 1.4 In the absent of the Chairman of the Risk Management Committee, the other members of the Risk Management Committee shall amongst themselves elect a Chairman who must be an Independent Non-Executive Director to chair the meeting.

### Secretary

- 1.5 The secretary to the Risk Management Committee shall be the Company Secretary.

### Relinquishment of Membership

- 1.6 Members of the Risk Management Committee may relinquish their membership in the Risk Management Committee with prior written notice to the Board and may continue to serve as Directors of the Company.
- 1.7 If a member of the Risk Management Committee resigns or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, based on the recommendation of the Nominating Committee, within three (3) months appoint such number of new members as may be required as soon as practicable provided that the composition of the Risk Management Committee shall meet the criteria set out in Section 1.1 above.

## **2. Authority**

The Risk Management Committee, in carrying out its duties and responsibilities, shall in accordance with the procedure determined by the Board and at the cost of the Company:

- 2.1 have the resources which are required to perform its duties;

- 2.2 have full and unrestricted access to any information within the Group;
- 2.3 be able to obtain independent professional or other advice and to invite the persons with relevant experience and expertise to attend its meeting if necessary; and
- 2.4 have direct communication channels with the senior management on a continuous basis, such as the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer of the Group in order to be kept informed of matters affecting the Group.

### **3. Functions and Duties**

The Risk Management Committee shall, amongst others, discharge the following functions:

#### On Enterprise Risk Management

- 3.1 Assist the Board to oversee the Group's overall risk management framework and policies and ensure it is continuously improved as the business environment changes;
- 3.2 Review the risk management and internal control framework, policies and processes as well as the adequacy of resources for managing the effectiveness of this framework;
- 3.3 Ensure that an appropriate risk reporting structure and guidelines are established to facilitate reporting of risks from the senior management to Risk Management Committee and then to the Board;
- 3.4 Engage senior management in an ongoing review and assessment of risk appetite and risk tolerance for the Group as conditions and circumstances change and new opportunities arise;
- 3.5 On quarterly basis, review and discuss with senior management and thereafter present to the Board on the major changes/development (if any) affecting the power business, the validity of the identified major risks, their respective risk action plans put in place for risk mitigation and status update on the implementation of key risks action plans for the major risks quarter;
- 3.6 Provide advice to the Board on risk strategies and coordinate the activities of the various standing Board Committees for risk oversight; and
- 3.7 Review the Statement on Risk Management and Internal Control for inclusion in the Company's annual report to ensure that relevant information as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is disclosed, and recommend for approval by the Board;

#### On Anti-Bribery & Anti-Corruption

- 3.8 Assist the Board to oversee the Group's overall Anti-Bribery & Anti-Corruption ("ABC") framework and the implementation of ABC Compliance Programme;
- 3.9 On quarterly basis, review and discuss with senior management and thereafter present to the Board on the status of ABC compliance programme implementation (including significant matters arising) and the results of the Group's compliance on ABC compliance programme;

- 3.10 To review the corruption risk assessment undertaken annually for the Group that forms the basis of the Group's anti-corruption effort and control measures identified for mitigation;
- 3.11 Carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

#### **4 Meetings**

##### Frequency

- 4.1 The Risk Management Committee shall meet at least four (4) times a year. Additional meetings may be called at any time at the discretion of the Chairman of the Risk Management Committee.

##### Quorum and Voting

- 4.2 The quorum for a meeting of the Risk Management Committee shall be two (2) members.
- 4.3 Each member of the Risk Management Committee is entitled to one (1) vote in deciding the matters deliberated in the meeting. The decision that gained the majority of votes shall be the decision of the Risk Management Committee.
- 4.4 In the case of an equality of votes, the Chairman has a second or casting vote, except where two (2) members form a quorum, the Chairman at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue shall not have a casting vote. The question in issue shall then be tabled at the next meeting of the Risk Management Committee or referred to the Board for decision, whichever is more expedient.
- 4.5 A member of the Risk Management Committee shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him/her.

##### Agenda

- 4.6 A meeting agenda shall be sent to all members of the Risk Management Committee and any other persons who may be required/invited to attend the meeting of the Risk Management Committee and the agenda, together with the supporting papers, shall be circulated at least five (5) working days prior to each meeting. The members of the Risk Management Committee, may, however, consent to shorter notice whereupon the requisite period shall be waived.

##### Attendance

- 4.7 If any member is unable to be physically present, he/she may choose to participate by means of a conference telephone or any other audio, or audio-visual, communication equipment which allows all persons participating in the meeting to hear and speak with each other and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum accordingly.

- 4.8 The Risk Management Committee may at its discretion and as necessary, invite any Board member or any member of the Management within the Group and consultants whom the Risk Management Committee thinks fit to attend its meetings to assist and provide pertinent information as necessary.
- 4.9 For good governance, each member must attend at least 50% of the meetings held within the year, failing which Nominating Committee will decide on the member's disqualification.

## **5 Minutes**

- 5.1 The Company Secretary shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Risk Management Committee. 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.
- 5.2 Minutes of each meeting shall be distributed to the Board for notation.
- 5.3 The books containing the minutes of proceedings of any meeting of the Risk Management Committee shall be kept at the registered office of the Company and shall be opened to the inspection of any member of the Risk Management Committee or the Board.

## **6. Circular Resolution**

- 6.1 A resolution in writing signed by a majority of the Risk Management Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Risk Management Committee duly called and constituted.
- 6.2 The resolution may consist of several documents in like form, each signed by one (1) or more Risk Management Committee members. Such document may be accepted as sufficiently signed by a member if it is transmitted to the Company by facsimile or other electrical or digital written message, which include a signature of the said member.

## **7. Reporting**

The Risk Management Committee, through its Chairman, shall report a summary of significant matters to the Board at the next Board meeting after each Risk Management Committee meeting. When presenting any recommendation to the Board for approval, the Risk Management Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.

The Chairman of the Risk Management Committee shall attend the Annual General Meeting of the Company and is answerable to any shareholder questions on the Risk Management Committee's activities.

## **8. Review of the Terms of Reference**

Any amendments to this Terms of Reference shall be approved by the Board. This Terms of Reference will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Risk Management Committee's responsibilities.



This Terms of Reference has been adopted by the Board on 23 March 2023 and is made available for reference on the Company's website at <https://www.leaderenergy.com/>.