

Updated on 26 August 2024



BOARD CHARTER

1. OBJECTIVES

This Board Charter sets out roles, functions, composition and responsibilities of the Board of Directors ("Board") of SKP Resources Bhd ("SKP" or "the Company") and is to ensure that all Board members acting on behalf of the Company are aware on their duties and responsibilities as Board members.

This Board Charter would act as a source reference and primary induction literature to provide insights to prospective Board members and Key Senior Management. In addition, it will assist the Board in the assessment of its own performance and of Individual Directors.

2. KEY VALUES AND PRINCIPLES

- ✓ Act with Integrity - Ethical, reliable, honest and transparent
- ✓ Customer Commitment - Provide high quality, reliable and innovative products
- ✓ Green Environment - Contribute towards a greener earth for current and future generations
- ✓ Leadership - Top management to demonstrate and promote awareness of quality and a sense of responsibility

3. BOARD MEMBERSHIP

3.1 COMPOSITION

3.1.1 The Board should consist of qualified individuals with diverse experiences, backgrounds, competence and perspectives. The composition and size of the Board are such that it facilitates the making of informed and critical decisions.

3.1.2 The size of the Board shall be determined by the needs of the Company. The Constitution of the Company provides for a minimum of two (2) directors and a maximum of twelve (12) directors. At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members are Independent Directors. Independent Director is defined in accordance with Paragraph 1.01 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

As recommended by the Malaysian Code on Corporate Governance ("MCCG"), at least half of the Board should comprise Independent Directors.

3.1.3 The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to his re-designation as a Non-Independent Director. In the event the Board is to retain an Independent Director, who has served in that capacity for more than nine (9) years, to continue serving in the same capacity, the Board shall justify and obtain shareholders' approval in a general meeting, through a two-tier voting process as described in the MCCG, upon the recommendation from the Nomination Committee.

3.1.4 The Board may appoint a Senior Independent Director to whom concerns pertaining to SKP and its Group of Companies ("Group") may be conveyed by shareholders and the public.

3.2 INDEPENDENCE OF DIRECTOR

3.2.1 The basis for the presence of an independent voice on the Board is to ensure that objectivity in decision-making of the Board is achieved and risks arising from conflict of interest or undue influence from interested parties are mitigated. In ensuring that there is no concentration of power in any member of the Board, the Independent Directors are expected to exercise their oversight responsibilities in the decision-making of the Board independently and objectively.

3.2.2 The Board assesses the independence of the Directors annually by taking into consideration their disclosed interests and having regard to the criteria for assessing the independence of Directors developed by the Nomination Committee.

3.2.3 Each Independent Director is expected to advise the Chairman immediately if he/she believes that they may no longer be independent.

3.3 APPOINTMENT AND RE-ELECTION

3.3.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee. No regard shall be paid to gender, race or religion when considering appointments to the Board.

3.3.2 New Directors are expected to have such competencies, commitment, and expertise so as to qualify them to make a positive contribution to the Board's performance of its duties and to give sufficient time and attention to the affairs of the Company.

3.3.3 Upon the appointment of a new Director, the newly appointed Director will be briefed on his/her terms of appointment, duties and responsibilities and also the operations of the Group to increase his/her understanding of the business, the environment and market in which the Group operates.

3.3.4 All Directors are subject to retirement by rotation which shall be governed by the Constitution of the Company.

3.4 ACCEPTANCE OF NEW DIRECTORSHIPS

- 3.4.1 Any Board Member is, while holding office, at liberty to accept other board appointments outside the Group so long as the appointment is not in conflict with the business and interest of the Company and the Group and does not detrimentally affect the director's performance as a Board Member. Nevertheless, the number of directorships held by a Director in listed corporations in Malaysia shall always comply with all current and applicable laws and regulations.
- 3.4.2 All Board members shall notify the Chairman before accepting any new directorship. The notification shall include an indication of the time that will be spent on the new appointment.

4. ROLES AND RESPONSIBILITIES OF THE BOARD

4.1 STRATEGIC RESPONSIBILITIES OF THE BOARD

In discharging the governance function, the Board assumes amongst others, the following duties and responsibilities:-

- a) Together with Key Senior Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- b) Ensuring that the Group's goals are clearly established and that a strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability, is in place to achieve them;
- c) The Board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company;
- d) Overseeing and evaluating the conduct and performance of the Group's business to evaluate whether the business is being properly managed;
- e) Reviewing, challenging and deciding on management's proposals for the Company, and monitoring its implementation by management;
- f) Ensuring that the statutory accounts of the Company and the Group are fairly stated and conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;
- g) Identifying and managing the principal risks affecting the Group and ensuring the implementation of appropriate internal controls and mitigation measures;

- h) Determining the risk appetite within which the Board expects management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- i) Ensuring that actual, potential and perceived conflicts of interest are identified and managed effectively;
- j) Ensuring that Key Senior Management has the necessary skills and experience, and there are appropriate plans in place in respect of the succession plan for Board members and Key Senior Management of the Group;
- k) Reviewing the adequacy and the integrity of the management information and internal controls systems of the Group, including systems for ensuring compliance with applicable laws, regulations, rules, directives and guidelines; and
- l) Overseeing the development and implementation of investor relations and communication policy for the Group which promotes effective communication with shareholders and other stakeholders.

To ensure the direction and control of the Company are in the hands of the Board, a formal schedule of matters reserved for the Board's deliberation and decision is set out in **Appendix A** of this Charter.

4.2 ROLE OF INDIVIDUAL DIRECTORS

4.2.1 Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Directors which broadly include:-

- a) acting in good faith and in the best interests of the Company as a whole;
- b) acting with care and diligence and for proper purpose;
- c) avoiding conflicts of interest with the Company in a personal or professional capacity; and
- d) refraining from making improper use of information gained through the position of Director and from taking improper advantage of the position of director.

4.3 ROLE OF THE CHAIRMAN

4.3.1 The responsibilities of the Chairman, amongst others, are as follows:-

- a) Providing leadership for the Board and serving as a liaison on the board-related matters;

- b) Ensuring the integrity and effectiveness of the governance process of the Board;
- c) Monitoring of the Company's vision, strategic direction and business development;
- d) Presiding and leading at all Board meetings and general meetings, unless he so delegates to another Director;
- e) Managing the interface between the Board and management;
- f) Setting the agenda for Board meetings, in consultation with the MD and the Company Secretary, and ensuring that Board members receive complete and accurate information in a timely manner;
- g) Facilitating effective participation and allowing dissenting views to be freely expressed at Board meetings;
- h) Playing a role in the Company's relationships with external stakeholders;
- i) Ensuring orderly conduct and proceedings of the Board and general meetings; and
- j) Ensuring effective communication with shareholders and other stakeholders.

4.3.2 The Chairman of the Board should not be a member of the Board Committee.

4.4 ROLE OF MANAGING DIRECTOR ("MD")

4.4.1 The responsibilities of the MD, amongst others, are as follows:-

- a) Efficient and effective day-to-day operations of the Group and prudent management of the Group's resources;
- b) Developing and implementing the strategies for the Group and setting the overall strategic policy and direction of the Group's business operations based on effective risk management controls;
- c) Ensuring that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects;
- d) Managing operations in accordance with any applicable standards for social, ethical and environmental practices and in compliance with all applicable and relevant laws, regulations rules, directives and guidelines;

- e) Formulating and overseeing the implementation of major business decisions adopted by the Board;
- f) Implementing the policies, strategies and decisions adopted by the Board and reporting accordingly to the Board as a whole on the same;
- g) Supervising heads of divisions and departments who are responsible for all functions contributing to the success of the Group;
- h) Financial management of the Company and the Group and overseeing the handling of financial matters;
- i) Bringing material issues and other relevant matters to the attention of the Board; and
- j) Ensuring the integrity and effectiveness of the corporate governance process of the Board.

4.4.2 All Board authority conferred on management is delegated through the MD and this will be considered as the authority and accountability of the MD so far as the Board is concerned.

4.5 ROLE OF EXECUTIVE DIRECTORS ("ED")

4.5.1 ED is, in essence, the conduit between the management and the Board in ensuring the success of the Company's human resources, financial management and governance function. ED is responsible for the effective implementation of the Group's human resources plan and policies established by the Board as well as to oversee the financial conduct of the Business to ensure its smooth and efficient operations.

4.5.2 In discharging the above responsibilities, the ED can delegate appropriate functions to any member of Key Senior Management, who shall report to the MD/ED.

4.5.3 ED to carry out any other duties and responsibilities as assigned by the Board of Directors and/or MD from time to time.

4.6 ROLE OF NON-EXECUTIVE DIRECTORS ("NED")

4.6.1 The role of the NED largely encompasses the monitoring of Company performance and contributing to the development of Company strategy.

4.6.2 NED would act as a bridge between the management and stakeholders in particular the shareholders of the Company. NED would provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

4.6.3 The role of the NED be further clarified as follows:-

1. Strategic Direction: To provide a creative and informed contribution and to act as a constructive critic in looking at the objectives and plans devised by the MD and the management.
2. Monitoring Performance: Monitoring the performance of the management, especially with regard to the progress made towards achieving the determined company strategy and objectives.
3. Risk: Satisfy themselves that the financial information presented is accurate and that financial controls as well as systems of risk management are robust and defensible.
4. Communication: The Company's and Board's effectiveness can benefit from outside contacts and opinions. NED, therefore, can help to connect the business and Board with networks of potentially useful people and organisations.

4.7 ROLE OF INDEPENDENT NON-EXECUTIVE DIRECTORS (“INED”)

4.7.1 INED are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality. Since an INED has no conflict of interests in the discharge of his duties, he ought to approach any approval for a transaction or other matter that is being sought at the Board level with a watchful eye and with an inquiring mind.

4.7.2 An INED is especially important in areas involving the interests of management, the Company and/or the shareholders, such as executive performance and remuneration, related party transactions and audit.

4.7.3 INED is considered an individual who:-

- is an independent director as defined under Paragraph 1.01 of the MMLR.
- declared his independence vide Declaration of Independency to the Nomination Committee.

4.7.4 It is important to bear in mind that even if a person does not fall within any of the disqualifying indicators enumerated out in Paragraph 1.01 of the MMLR, both the Director and the Board must give effect to the spirit, intention and purpose of the definition of an Independent Director. There must be a conscious application of the test of whether the said Director is able to exercise independent judgment and act in the best interests of the Company.

The attributes of collegial yet independent decision-making that must be vested in the Independent Director will be determined in part by the character of the individual and that of the whole ethos of the Board.

4.8 ROLE OF SENIOR INDEPENDENT DIRECTOR (“SID”)

4.8.1 There shall be an INED of the Board designated as SID.

4.8.2 The function of a SID is to provide leadership and advice to the Board, without detracting from the authority of the Chairman, when the Chairman has a conflict of interest. Such assistance may be provided as follows:-

- to act as a conduit for any material issues that the Independent Directors on the Board may wish to raise with the MD/ED or Key Senior Management;
- to act as an alternative point of contact for Non-Executive Directors and shareholders with concerns which are not being addressed by the Chairman or MD/ED; and
- to ensure that the interest of the Company and its stakeholders are taken into account and given priority in case of any conflicts of interest.

4.8.3 The responsibilities of the SID include:-

- a) to serve as a designated contact person for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the Company, at the expense of the Company, if so required.
- b) to seek assistance from the MD/ED and/or any Key Senior Management of the Company, if so required, to resolve the issues raised by the shareholders to him.
- c) to seek advice from external professionals on a specific subject matter raised to him by the shareholders, at the expense of the Company, if so required.
- d) to report to the Board on any pertinent issues raised by the shareholders that warrants the Board’s attention and/or further action.
- e) to ensure all INEDs have an opportunity to provide input on the agenda and advise the Chairman on the quality, quantity and timeliness of the information submitted by management that is necessary or appropriate for the INEDs to perform their duties effectively.

4.9 RELATIONSHIP WITH MANAGEMENT

4.9.1 The management is the key in collecting, scrutinising and elucidating strategic options to the Board for its review and consideration.

4.9.2 To enable the Board to properly exercise impartial judgement, the management shall ensure that all information provided by them to the Board is objective, timely, relevant, accurate and complete and the management will carry out instructions as directed by the Board.

4.10 COMPANY SECRETARY(IES)

4.10.1 The appointment or removal of Company Secretary(ies) of the Board shall be the prerogative of the Board as a whole.

4.10.2 The Company Secretary appointed should be suitably qualified and competent in order to support the Board in carrying out its roles and responsibilities and adhering to the policies and procedures of the Board.

4.10.3 All Board Members have unrestricted access to the advice and services of the Company Secretary for the purposes of the Board's affairs and the business.

4.10.4 The roles and responsibilities of the Company Secretary(ies) include the following:-

- a) manage all Board and Board Committee meeting logistics, attend and record minutes of all Board and Board Committee meetings and facilitate Board communication;
- b) advise the Board on its roles and responsibilities;
- c) facilitate the orientation of new Directors and assist in Director's training and development;
- d) advise the Board on corporate disclosures and compliance with the company's policies and regulations and listing requirements;
- e) manage processes pertaining to the general meeting;
- f) monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;
- g) serve as a focal point for stakeholders' communication and engagement on corporate governance issues; and
- h) carry out other functions as deemed appropriate by the Board from time to time.

5. ROLE OF BOARD COMMITTEES

5.1 The Board may from time to time establish any Board Committees as is considered appropriate to assist in carrying out its duties and responsibilities. All such Board Committees must be provided with written terms of reference which state clearly the extent and limits of their responsibilities and authority.

5.2 The present Board Committees are Audit Committee, Remuneration Committee, Nomination Committee and Risk Management and Sustainability Committee. The Terms of References/ Charter of the respective Board Committees are set out in the following appendices:

- Audit Committee (**Appendix B**)
- Remuneration Committee (**Appendix C**)
- Nomination Committee (**Appendix D**)
- Risk Management and Sustainability Committee (**Appendix E**)

5.3 The Board Committees have an obligation to report on the proceedings of its meetings to the Board and minutes of all Board Committee meetings should be made available to the Board.

6. BOARD MEETINGS

6.1 The Board shall meet at least four (4) times a year, with additional meetings to be convened as and when necessary.

6.2 The proceedings of Board meetings shall be governed by the Constitution of the Company.

6.3 Board members shall use their best endeavours to attend the Board Meetings and to devote sufficient time to properly discharge their responsibilities at those meetings. Board members are expected to achieve at least 50% attendance of total Board Meetings in any applicable financial year. Board members who are unable to attend the Board Meetings shall accordingly advise the Chairman or the Company Secretary on the same.

6.4 Board members are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the meetings.

6.5 Except in the case of an emergency, seven (7) days' notice of every Board and Board Committee meetings shall be given to all members of the Board and Board Committees. The agenda shall include, amongst others, matters specifically reserved for the Board's decision. The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof, in discharging its duties and responsibilities.

6.6 Management shall provide the Board and Board Committees with information and materials in a form, timeframe and quality that enables them to effectively discharge their duties and responsibilities. These information and meeting materials shall be distributed to the Directors prior of the meetings to enable them to prepare for the meetings.

By leveraging on technology, Board meetings can also be conducted via technological means and for expediency, circular resolutions of the Directors will be prepared for the Directors' execution in order to facilitate efficient implementation of Board's decision.

- 6.7 The Company Secretary or the Secretary of the Board Committee shall take minutes of the meetings. These minutes shall be forwarded to the Chairman of the respective meeting for his review prior to tabling at the next succeeding meeting for approval by the members of the Board or Board Committees, as the case may be. 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.
- 6.8 All Board members shall ensure that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberating on a particular matter.
- 6.9 The Board or Board Committees may invite any member of Key Senior Management or external consultants or the external auditors of the Company to participate in meetings, as necessary, to carry out their responsibilities.

7. CONFLICT OF INTEREST

- 7.1 The Directors are required to disclose to the Board any actual or potential conflicts of interest which may exist or be thought to exist as soon as they become aware of the issue.
- 7.2 The Directors should abstain themselves from discussion or decisions on matters in which they have a conflicting interest.
- 7.3 The Directors are also required to disclose their shareholdings in the Group and the other directorships held.

8. FINANCIAL REPORTING

- 8.1 The Board must ensure that the Company's financial statements comply with applicable financial reporting standards, so as to give a true and fair view of the state of affairs of the Company and the Group.

9. DIRECTORS' REMUNERATION

- 9.1 The Board, as a whole, will determine the level of remuneration paid to its Directors, taking into consideration the recommendations of the Remuneration Committee.
- 9.2 The level and make-up of remuneration should be effective and sufficient enough to attract and retain the Board members of the caliber needed to run the Company successfully.
- 9.3 In the case of ED, the component parts of remuneration should be structured so as to link reward to corporate and individual performance.

- 9.4 In the case of NED, the level of remuneration should reflect the experience and level of responsibilities undertaken by the particular NED concerned.
- 9.5 The Directors shall be reimbursed for all expenses properly and necessarily expended in the course of discharging their duties as Directors.
- 9.6 No Board member, whether executive or non-executive, will be involved in the discussion and voting on decisions in respect of their own remuneration.

10. DIRECTORS' TRAINING & CONTINUING EDUCATION

- 10.1 In addition to the mandatory programs as required by Bursa Securities, Board members shall continue to update their knowledge and enhance their skills through appropriate continuing education programs and life-long learning to enable them to effectively discharge their duties and sustain active participation in the Board deliberations.
- 10.2 The Board shall assess the training needs of the directors from time to time.
- 10.3 All Board members are expected to keep themselves abreast of changes and trends in the business and in the Group's environment and markets, which shall include changes and trends in the economic, political, social and legal climate generally.

11. BOARD AND ITS MEMBER ASSESSMENT

- 11.1 The Nomination Committee is entrusted by the Board to review the performance and effectiveness of the Board and Board Committees, including individual Directors, annually, with the assessment report, together with a report on the board balance covering the required mix of skills, experience and other qualities of Board members for discussion at the full Board.
- 11.2 The Board shall engage independent experts periodically to facilitate objective and candid board evaluations, where necessary.

12. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATIONS

- 12.1 The Board shall maintain an appropriate investor relations and communication policy which encourages shareholders' participation at general meetings and promotes effective communication with shareholders, stakeholders and the public.

To enable effective communication with stakeholders, the Company has established a Corporate Disclosure Policy in order to provide guidance in disseminating corporation information, and in dealing with shareholders, stakeholders, analysts, media, regulators and the investing public.

- 12.2 The Board shall ensure the timely announcements and disclosures made to Bursa Securities, which includes quarterly financial results and any other material information that may affect investors' decision making.
- 12.3 The Company may conduct dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Key Senior Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.
- 12.4 The Board shall ensure the Company leverage on information technology for effective dissemination of information and the Company's website to provide easy access to corporate information pertaining to the Company and its activities and is continuously updated.
- 12.5 The Board shall adopt the following measures in relation to the effective communication with the shareholders of the Company during the general meeting:-
- a) Notice of Annual General Meeting should be given to the shareholders at least 28 days prior to the AGM.
 - b) The notice should provide further explanation for the resolution proposed to enable shareholders to make an informed decision in exercising their voting rights.
 - c) All Directors should commit to attending all general meetings of the Company in order to provide an opportunity for the shareholders to effectively engage with each Director.
 - d) Open sessions for questions and answers are made available to shareholders during general meetings and the Chairman of the Board and Board Committee should provide meaningful responses to questions addressed to them.

13. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

- 13.1 In discharging directors' duties, the Directors, collectively or individually, may seek independent professional advice at the expense of the Company.
- 13.2 If a Director considers that such advice is necessary, the Director shall first discuss it with the Chairman who will facilitate obtaining such advice and, where appropriate, disseminate the advice to all Directors.
- 13.3 For the avoidance of doubt, the above restriction shall not apply to ED acting in the furtherance of his executive responsibilities and within his delegated powers.
- 13.4 For the purposes of this section, independent professional advice shall include advice sought from legal experts, accountants or other professional advisors and consultants. Independent professional advice shall exclude any advice concerning the personal interests of the Directors (such as with respect to

their contracts or disputes with the Group), unless these are matters affecting the Board as a whole.

- 13.5 Directors have access to the Management via the Group Financial Controller to request relevant and additional information or seek explanations.

14. REVIEW OF BOARD CHARTER

- 14.1 This Charter was adopted by the Board on 29 July 2013. Any subsequent amendment to this Charter will require the approval by the Board.
- 14.2 This Charter should be reviewed periodically and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's duties and responsibilities.

MATTERS RESERVED FOR THE BOARD

The following summarises the list of matters reserved for the Board's deliberation and decision:-

1. Board structure

- 1.1 Appointment of Director(s).
- 1.2 Recommendation for removal of Director(s).
- 1.3 Appointment and removal of Company Secretary(ies).
- 1.4 Establishment of Board Committees, their members and the specific terms of reference.

2. Board remuneration

- 2.1 Recommendation of Directors' remuneration for Non-Executive Directors to be approved by shareholders.
- 2.2 Approval of remuneration packages, including service contracts, for MD/ED.

3. Company's operations

- 3.1 Approval of investment or divestment in a company, business, property or undertaking.
- 3.2 Approval of investment or divestment of a capital project which represents a significant diversification from the Company's existing business activities.
- 3.3 Approval of major changes in the activities of the Company.
- 3.4 Approval of treasury policies and bank mandates of the Company.
- 3.5 Approval of limits of authority for the Company.

4. Financial

- 4.1 Approval of financial statements and the release of announcement (including financial results) to Bursa Malaysia Securities Berhad.
- 4.2 Approval of Directors' Report, Statement on Risk Management and Internal Control for inclusion in the Company's Annual Report.
- 4.3 Approval of interim dividends for payment and the recommendation of final dividend or other distribution for shareholders' approval.
- 4.4 Adoption of accounting policies in line with the Malaysian Financial Reporting Standards, and any other approved accounting standards in Malaysia (if applicable).
- 4.5 Review the effectiveness of the Group's system of risk management and internal controls via the Audit Committee / Risk Management and Sustainability Committee.

5. Others

- 5.1 Granting of power of attorney by the Company.
- 5.2 Entering into any corporate guarantee and indemnity issued by the Company.
- 5.3 Recommendation for the changes in the Company's Memorandum and Articles of Association/ (Constitution).
- 5.4 Change in financial year end.
- 5.5 Recommendation for purchase of own shares by the Company.
- 5.6 Recommendation for issue of debt instruments.
- 5.7 Any other matters requiring the Board's approval under the Constitution of the Company, law or any other statutory requirements.

Appendix 'B'



SKP RESOURCES BHD

[Registration No. 200001021690 (524297-T)]
(Incorporated in Malaysia)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. **Composition of members**

The Board of Directors (the "**Board**") shall appoint the Audit Committee members from amongst themselves, comprising no fewer than three (3) members, all of whom shall be Non-Executive Directors, with a majority of Independent Directors.

*In this respect, the Board adopts the definition of "Independent Non-Executive Director" as defined under Chapter 1 of the Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements (the "**Listing Requirements**").*

All members of the Audit Committee should possess a wide range of necessary skills and undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules in order to discharge their duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

At least one (1) member:

- (a) shall be a member of the Malaysian Institute of Accountants ("**MIA**"); or
- (b) if he/she is not a member of the MIA, he/she must have at least three (3) years of working experience and:
 - i. he/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - ii. he/she must be a member of one (1) of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967.
- (c) fulfils such other requirements as prescribed by Bursa Securities.

No alternate director shall be appointed as a member of the Audit Committee.

No former partner of the external audit firm of the Group (including all former partners of the audit firm and/or the affiliate firm) is appointed as a member of the Audit Committee without observing a cooling-off period of at least three (3) years before appointed as a member of the Audit Committee.

Retirement and resignation

If a member of the Audit Committee resigns, dies, or for any reason ceases to be a member resulting in non-compliance with the composition criteria as stated in paragraph 1 above, the Board shall within three (3) months of the event appoint such number of the new members as may be required to fill the vacancy.

2. **Chairman**

The members of the Audit Committee shall elect a Chairman (the "**Chairman**") from amongst their number who shall be an Independent Non-Executive Director and who shall not be the Chairman of the Board.

A vacancy resulting in the non-compliance with the requirement on the election of an independent Chairman of the Audit Committee must be filled within three (3) months.

In the absence of the Chairman of the Audit Committee, the other members of the Audit Committee shall amongst themselves elect a Chairman who shall be an Independent Non-Executive Director to chair the meeting.

The Chairman of the Audit Committee is responsible for ensuring the overall effectiveness and independence of the Committee.

The role of the Chairperson is planning and conducting meetings, overseeing reporting to the Board, encouraging open discussion during meetings, and developing and maintaining an active ongoing dialogue with Management, the internal auditors and the external auditors. The Chairman should also attend the Shareholders' Meeting to answer any shareholder's questions on the Committee's activities.

The Chairman of the Audit Committee together with other members of the Audit Committee should ensure among others that:-

- the Audit Committee is fully informed about significant matters related to the Company's audit and its financial statements and addresses these matters;
- the Audit Committee appropriately communicates its insights, views and concerns about relevant transactions and events to internal and external auditors;
- The Audit Committee's concerns on matters that may have an effect on the financial or audit of the Company are communicated to the external auditor; and
- there is co-ordination between internal and external auditors.

3. Secretary

The Secretary of the Audit Committee shall be the Company Secretary.

4. Terms of Office

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Nomination Committee annually to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

5. Meetings

The Audit Committee shall meet at least four (4) times a year, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. Additional meetings may be convened by the Chairman of the Audit Committee, or at the requisition of other Committee members with the Chairman's discretion, to discuss matters within the terms of the Audit Committee in between scheduled meetings. If a member is unable to be physically present, the member may choose to participate via video or teleconference.

Notice of Audit Committee meetings shall be given to all Audit Committee members. The Secretary of the Audit Committee, in consultation with the Chairman, shall draw up the agenda of the meeting. The agenda, together with the relevant papers, should be targeted to be circulated prior to each Committee meeting.

Upon the request of the external auditors and internal auditor, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters the external auditors believe should be brought to the attention of the Directors or shareholders.

The Chairman of the Audit Committee shall engage on a continuous basis with the Chairman of the Board, Executive Directors, Key Senior Management, the internal auditors and the external auditors in order to be kept informed of matters affecting the Company.

Attendance of other Directors, employees or external parties, e.g. representatives of the internal and external auditors, at any particular Audit Committee meeting shall be at the invitation of the Audit Committee, but not necessarily for the full duration of the meeting.

Questions arising at any meeting of the Audit Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Audit Committee shall have a second or casting vote. An Audit Committee member shall abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

6. Minutes

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Audit Committee and also to the other members of the Board. The Audit Committee Chairman shall report on the proceedings of each meeting to the Board.

The minutes of the Audit Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

7. Quorum

The quorum for the Audit Committee meeting shall be the majority of members present or via video/teleconferencing who must be Independent Non-Executive Directors.

8. Circular Resolution

A resolution in writing signed by a majority of the Audit Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Audit Committee duly called and constituted.

Any such resolution may consist of several documents in like form, each signed by one (1) or more Audit Committee members. Any such document may be accepted as sufficiently signed by an Audit Committee member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of an Audit Committee member.

9. Reporting

As a reporting procedure, the minutes of each Audit Committee meeting shall be tabled for the Board's notation and circulated to all members of the Board once the minutes have been confirmed by the Audit Committee.

The Audit Committee shall report to the Board, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at the next Board meeting after each Audit Committee meeting.

The Audit Committee shall report to the Board on any specific matters referred to it by the Board for investigation and report.

An Audit Committee Report shall be prepared at the end of the financial year pursuant to Paragraph 15.15 of the Listing Requirements.

10. Objectives

The principal objectives of the Audit Committee are to assist the Board in discharging its statutory and fiduciary duties; and responsibilities relating to the accounting and reporting practices of the Company and each of its subsidiaries. In addition, the Audit Committee shall:

- (a) evaluate the quality of the audits performed by the internal and external auditors;
- (b) provide assurance that the financial information presented by Management is relevant, reliable and timely;
- (c) oversee the Company's compliance with laws and regulations; and observance of a proper code of conduct; and
- (d) determine the quality, adequacy and effectiveness of the Group's control environment.

11. Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board and at the expense of the Company:

- (a) have explicit authority to investigate any activity within its Terms of Reference. All employees shall be directed to co-operate as requested by members of the Audit Committee;
- (b) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and Senior Management of the Company and the Group;
- (c) obtain other independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary;
- (d) have direct communication channels, and be able to convene meetings without Management's presence, with the internal and external auditors and person(s) carrying out the internal audit function or activity; and

- (e) where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Securities.
- (f) convene meetings with the external auditors, without the presence of executive members of the Audit Committee, whenever deemed necessary.

12. Duties and Responsibilities

The duties and responsibilities of the Audit Committee are as follows:

- (a) to consider and recommend the appointment of the external auditors, the audit fee and any question of resignation or dismissal, taking into consideration the external auditors' independence, experience and qualification;
- (b) to ensure that written assurance from the external auditors is obtained annually on their independence throughout the audit engagement in accordance with the terms of all relevant professional and regulatory requirements and to ensure the external auditors confirm that they are not aware of any relationship between them and the Group that may reasonably impair their independence;
- (c) to establish policies governing the circumstances under which contracts for the provision of non-audit services can be entered into and procedures that must be followed by the external auditors, i.e. the Policies and Procedures to Assess the Suitability and Independence of and the Provision of Non-Audit Service by External Auditors;
- (d) to review and approve the provision of non-audit services by the external auditor before it is rendered to the Company;
- (e) to ensure that the provision of non-audit services by the external auditor and its network firms/companies comply with the policy on the provision of non-audit services by external auditors such that the objectivity and independence of the external auditors is not impaired;
- (f) to discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- (g) to review with the external auditors the audit plan, the evaluation of the system of internal controls and the audit report, as well as the assistance given by Management to the external auditors;
- (h) to review the quarterly and year-end financial statements of the Group before its recommendation of the same to the Board, focusing particularly on:
 - any change in, or implementation of, accounting policies and practices;
 - significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how these matters are addressed;

- the going concern assumption; and
 - compliance with applicable financial reporting standards and other legal requirements.
- (i) to discuss problems and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss (in the absence of Management, where necessary);
- (j) to review the external auditors' management letter and the Management's response;
- (k) to assess the performance, suitability, objectivity and independence of the external auditors on an annual basis;
- (l) to do the following, in relation to the internal audit function:
- review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - ensure that the internal auditor continuously keeps abreast with developments in the profession, relevant industry and policies with updates of the internal audit team's resources, skillset and training on at least an annual basis;
 - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - review the internal audit plan, consider the internal audit reports and findings of the internal auditors, fraud investigations and actions and steps taken by Management in response to audit findings;
 - review any appraisal or assessment of the performance of members of the internal audit function and be satisfied that the internal audit should be carried out objectively and is independent from the management of the Company and the functions which it audits and report its findings directly to the Audit Committee; and
 - approve any appointment or termination of internal auditors.
- (m) to consider any related party transactions and conflict of interest situation that arose, persist or may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of integrity and the measures taken to resolve, eliminate, or mitigate such conflicts;
- (n) to report its findings on the financial and Management's performance and other material matters to the Board;
- (o) to consider the major findings of internal investigations and Management's response;
- (p) to monitor the integrity of the Company's financial statements;

- (q) to monitor the performance of the internal audit function;
- (r) to monitor the Company's compliance with relevant laws, regulations and code of conduct;
- (s) to review the adequacy and effectiveness of risk management, internal control and governance systems;
- (t) to review the Company's procedures for detecting fraud and whistle-blowing;
- (u) to review and assess the Group's anti-bribery and corruption management and Anti Bribery and Corruption ("**ABC**") Framework to ensure its adequacy and effectiveness in line with the ABC commitment and risk appetite by the Board and whether it is in line with the Group's mission, vision, strategies and business objectives with the results and recommendation reported to the Board;
- (v) to consider and examine such other matters as the Audit Committee considers appropriate; and
- (w) to consider other matters as delegated by the Board.

Updated on 18 July 2018

Appendix 'C'



TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. Composition of members

The Board of Directors shall elect the Remuneration Committee members from amongst themselves and shall consist of not less than two (2) members, comprising exclusively of Non-Executive Directors and a majority of Independent Directors.

The members of the Remuneration Committee shall elect a Chairman from among their members who shall be an Independent Director. In the absence of the Chairman of the Remuneration Committee, the remaining members present shall elect one of their members as Chairman of the meeting.

The Company Secretary or such other persons authorised by the Board shall act as the Secretary to the Committee.

If a member of the Remuneration Committee resigns, dies or for any other reason ceases to be a member resulting in the number of members reduced below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

2. Meetings and Minutes

The Remuneration Committee shall meet at least once a year or at such other times as the Chairman of the Remuneration Committee deemed necessary, and report to the Board after each meeting, its recommendation, findings or decisions.

The quorum for the meeting of the Remuneration Committee shall be two (2) members.

Any member of the Remuneration Committee may participate in any meeting of the Remuneration Committee by means of any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or to be counted in a quorum accordingly.

The Chairman of the Remuneration Committee shall be entitled, where deemed appropriate, to invite any other person to a meeting of the Remuneration Committee at which that person's expertise may be required having regard to the subject matter to be discussed.

The Remuneration Committee shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Board at the expense of the Company.

The Directors shall not participate in discussion on their own remuneration.

The Remuneration Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Remuneration 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. The minutes of the Remuneration Committee meeting shall be available to all Board members.

A circular resolution in writing signed by the members of the Remuneration Committee who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened. Any such resolution may consist of several documents in like form, each signed by one (1) or more members of the Remuneration Committee and shall include signed copies via legible facsimile transmission or other written electronic means.

3. Duties and Responsibilities

The duties and responsibilities of the Remuneration Committee are as follows:-

- To review and recommend on an annual basis the remuneration package of each Executive Directors and Senior Management in all its forms, irrespective whether the remuneration is drawn from the Company or its Group of Companies.
- To recommend to the Board any performance related pay schemes for Executive Directors and Senior Management.
- To ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration forming a significant proportion of the total remuneration package of Executive Directors and Senior Management.
- Review and determine the remuneration payable to the Non-Executive Directors, taking into consideration the remuneration levels and trends for similar positions in the market, level of responsibilities undertaken by the Non-Executive Directors.
- To consider other matters as referred to the Remuneration Committee by the Board.

Updated on 18 July 2018

Appendix 'D'



TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

1. Composition of members

The Board of Directors (the "**Board**") shall elect the Nomination Committee members from amongst themselves, which comprises exclusively of Non-Executive Directors, a majority of whom are Independent. The term of office of the Nomination Committee shall be for such time as determined by the Board and may be re-nominated and appointed by the Board from time to time. The appointment of a committee member terminates when the member ceases to be a Director.

2. Chairman

The Chairman of the Nomination Committee (the "**Chairman**") shall be an Independent Non-Executive Director or Senior Independent Director approved by the Board.

3. Secretary

The Secretary of the Nomination Committee shall be the Company Secretary of the Company.

4. Meetings

The Nomination Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. In addition, any member of the Nomination Committee may call for additional meetings where deemed necessary to address a matter within the scope of the Nomination Committee. If a member is unable to be physically present, the member may choose to participate via video or tele-conferencing.

Notice of the Nomination Committee meetings shall be given to all Nomination Committee members and invitees. The Secretary of the Nomination Committee, in consultation with the Chairman, shall draw up the agenda of the meeting. The agenda, together with the relevant papers, should be targeted to be circulated at least seven (7) days prior to each Committee meeting.

In the absence of the Chairman, the other members of the Nomination Committee shall from amongst themselves elect a Chairman who must be an Independent Director to chair the meeting.

Matters arising at any Meeting shall be decided by a majority vote, each member having one (1) vote. In the event of equality of votes, the Chairman of the Nomination Committee shall have a 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 will not have a casting vote.

5. Minutes

The Nomination Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Nomination 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. The minutes of the Nomination Committee meeting shall be circulated to all Board members.

6. Quorum

The quorum for the meeting of the Nomination Committee shall be at least two (2) members of which the majority shall be Independent Directors.

7. Reporting

As a reporting procedure, the minutes of each Nomination Committee meeting shall be tabled for the Board's notation and circulated to all members of the Board once the minutes have been confirmed by the Nomination Committee.

The Nomination Committee shall report to the Board, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at the next Board meeting after each Nomination Committee meeting.

The Nomination Committee shall report to the Board on any specific matters referred to it by the Board.

Disclosure on the Nomination Committee's activities for the financial year shall be prepared pursuant to Paragraph 15.08A(3) of the Listing Requirements of Bursa Malaysia Securities Berhad.

8. Authority

The Nomination Committee shall have access to such information and advice, including legal or other professional advice, both from within the Company and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Board and at the expense of the Company. The Nomination Committee may request other Directors, members of Management, counsels, consultants as appropriate, to participate at Nomination Committee meetings to assist the Nomination Committee in carrying out its responsibilities.

9. Duties and Responsibilities

The duties and responsibilities of the Nomination Committee are as follows:

- to recommend to the Board, on an annual basis, the optimum size and balance of the Board and Board Committees, in terms of the mix of skills, independence, diversity (including gender, age and ethnicity) and other qualities required to facilitate the effective and efficient functioning of the Board, including core competencies of Non-Executive Directors;
- to formalise a transparent procedure for proposing, selecting and appointing new candidates to the Board and Board Committees.
- to consider, in making its recommendations, candidates for directorships proposed by any Director or shareholder;

- to assess and recommend to the Board, candidates for directorships of the Board and membership of Board Committees, including candidates proposed by any Director or shareholder, as well as Director due for re-election and/or re-appointment. In making its recommendations, the Nomination Committee shall consider the candidates':
 - character, competence in terms of skills, knowledge and expertise as well as experience;
 - professionalism and integrity;
 - performance and contribution;
 - number of directorships and other external obligations which may affect the Director's commitment, including time commitment and value contribution; and
 - in the case of candidates for the position of Independent Directors, the Nomination Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Directors;
- to formalise procedures on Director selection, appointment and succession policies and procedures, including the re-election and re-appointment process;
- to ensure on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out the expected contribution and performance expected of him/ her;
- to consider and recommend to the Board the terms of service of Executive Directors;
- to facilitate appropriate and adequate training and induction for newly appointed Directors with respect to the business, structure and Management of the Company;
- to establish a mechanism for, and facilitate the implementation of, the formal annual assessment on the Board as a whole, Board Committees and individual Director based on established criteria and ensure the assessments are documented;
- to conduct assessment annually on the independence of each of the Independent Non-Executive Director to ensure he/she is continually fit and maintain independence in order to provide appropriate scrutiny and impartial judgement;
- to review annually the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee has carried out its duties in accordance with its Terms of Reference.
- to facilitate training needs analysis based on assessment results and recommend to ensure Directors receive appropriate continuous training in order to maintain an adequate level of competency to discharge their responsibilities and that they are kept abreast of all regulatory changes and developments in the business environment;

- to develop, maintain and review the criteria to be used in the assessment of the Board, Board Committees, individual Directors (including independence assessment), and the candidates subjected to the selection and nomination process (including re-election and re-appointment);
- to recommend to the Board the removal of Director if the Director is found ineffective, errant or negligent in discharging his or her duties;
- to consider and examine such other matters as the Nomination Committee considers appropriate; and
- to consider any other matters as delegated by the Board.



SKP RESOURCES BERHAD

Terms of Reference of The Sustainability Committee

Document Title:	Terms of Reference of The Sustainability Committee		
Ref No:	SKPRES/CO-G01		
Originator:	Corporate Office	Applicable To:	SKP Resources Berhad and its subsidiaries
Revision No:	New	Effective Date:	1 December 2023

1. **Objective**

A Sustainability Committee ("SC" or "Committee") is established as a committee of SKP Resources Berhad ("SKP" or "the Group") to assist the Board of Directors ("the Board") in overseeing the Group's overall sustainability agenda, including the sustainability framework, strategy, targets, policies and commitments as well as the integrity of sustainability reporting and disclosures on the material ESG topics.

The Terms of Reference ("TOR") outlines the roles and responsibilities of the SC in the management of material sustainability matters addressing ESG-related topics relevant to the Group.

2. **Composition of members**

The Board of Directors (the "Board") shall appoint the Sustainability Committee Members from amongst themselves, supported by the Sustainability Management Team ("SMT") and Sustainability Working Team ("SWT"). The SMT is chaired by the Sustainability Committee Chairman and is comprised of department heads of the Group.

3. **Roles and Responsibilities of the Sustainability Committee**

The duties and responsibilities of the Sustainability Committee are as follows:

Board of Directors:

- To oversee the implementation of the Group's sustainability policy, strategies, performance, and initiatives.
- To approve proposed material sustainability matters and endorse the materiality matrix proposed by the SMT.
- To approve sustainability disclosures and the annual Sustainability Statement proposed by the SMT.
- To oversee the integration of ESG-related risks and opportunities within the Group's strategy and risk management, including climate-related risks and opportunities.

Sustainability Management Team (“SMT”):

- To review and ensure that the Sustainability Report is prepared with reference to Bursa Malaysia Securities Berhad Main Market Listing Requirements prior to presentation to the Board for approval.
- To develop, recommend and advise the Board regarding sustainability strategies, policies and targets that are in line with the Group’s overall business strategy for approval.
- To strategically assess and manage the Group’s material sustainability matters, ESG- and climate-related risks and opportunities such as corporate governance and transparency, climate resilience and energy efficiency, occupational health and safety and other pertinent risks and opportunities.
- To oversee and monitor the implementation of sustainability initiatives and ongoing progress of sustainability strategies approved by the Board.
- To develop communication strategies and mechanisms to engage stakeholders on sustainability and periodically conduct materiality assessments to assess and identify stakeholders’ priorities.
- To endorse material matters and the materiality matrix prepared by the SWT.

Sustainability Working Team (“SWT”):

- To assist the SMT in coordinating and implementing the Group’s sustainability strategies and initiatives within day-to-day operations and reporting the progress and performance to the SMT.
- To compile and monitor ESG-related data and information for sustainability reporting to be reviewed and approved by the SMT.
- To identify and propose material sustainability matters relevant to the Group’s operations to the SMT based on stakeholders’ expectations.
- To engage with stakeholders regularly to understand and respond to their concerns and expectations.
- To oversee and monitor sustainability trends, climate-related issues and key sustainability risks and opportunities.

Chairman

In the absence of the Chairman, the meeting shall be chaired by any member of the SC who will act as a committee chair and who is deemed best suited to assist, attend and advise in addressing and resolving issues raised.

4. Meetings

The SC shall meet at least one time a year and at such other times as the Chairman of the Committee deems necessary. If a member is unable to be physically present, the member of the SC may participate in the meeting via telephone, video conferencing or by other modes of communication in which event such member shall be deemed to be present at the meeting.

All SC members and any persons required to attend will receive the notice and agenda of meeting at least 5 working days before each meeting.

5. Minutes

Minutes of each meeting shall be subjected to the Chairman's approval before distribution to the members of the SC.

6. Quorum

The quorum for the SC meetings shall consist of at least 50% of the Committee members being present including the Secretariat and Chairman.

7. Reporting

As a reporting procedure, the Committee shall report to the Board its conclusions and recommendations thereon after each SC meeting.

Any pertinent issues that are deemed to be of major importance should be referred to the Board for its consideration at the discretion of the Chairman and members of the SC.

The Committee shall be responsible for ensuring that the Company produces its Sustainability Report pursuant to the Listing Requirements, the Sustainability Reporting Guide and the Sustainability Toolkit issued by Bursa Malaysia Berhad.

8. Authority

The SC in performing its duties shall have the resources that are required to perform its duties and investigate any activity and perform its duties within its terms of reference. The SC may appoint additional independent professionals as advisers and service providers as appropriate, to participate in committee meetings to assist the SC in carrying out its responsibilities.

9. Review of Terms of Reference

The Committee's Terms of Reference shall be reviewed at least once every two years or as and when required. Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third party, shall first be presented to the Board for its approval.

The SC shall perform at least annually a review and evaluation of its performance to ensure the continued effective execution of its roles and responsibilities as set forth in this Terms of Reference.

Adopted on 22 February 2018

Latest update on 25 August 2023

'Appendix E'



SKP RESOURCES BHD

[Registration No. 200001021690 (524297-T)]
(Incorporated in Malaysia)

Risk Management Committee Charter

1. INTRODUCTION

Enterprise Risk Management is defined as a process, affected by an entity's Board of Directors, Management and other personnel, applied in a strategic setting and across the enterprise. It is designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.

2. PURPOSE

The Board of Directors (the "**Board**") via the Risk Management Committee ("**RMC**" or the "**Committee**") has constituted a Risk Management Working Group (the "**RMWG**"). The purpose of the formation of this Group is to assist the RMC in fulfilling its oversight responsibilities with respect to the Group's risk management processes, including the assessment of key strategic and operational risks.

Also, to comply with the Malaysian Code of Corporate Governance ("**MCCG**") recommendations and Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") that require listed companies to establish a risk management committee.

3. COMPOSITION OF MEMBERS

(i) Composition of the RMC

Based on the recommendation of the MCCG, the majority of the Committee should comprise of Independent Director. In this case, The Board of Directors (the "**Board**") of SKP Resources Bhd ("**SKP**") shall appoint the RMC members from amongst themselves, comprising no fewer than three (3) members, all of whom shall be Non-Executive Directors, with a majority of Independent Directors.

The Committee may form and delegate authority to one or more subcommittees (including a Sub-Committee consisting of a single member), as it deems appropriate from time to time under the circumstances. A sub-committee is formed on an ad-hoc basis to address or monitor a risk issue.

(ii) Criteria for selection

Members of the Committee need to have the will to deliberate issues, rationally, objectively and practically. Secondly, the Members shall not be worried of "witch-hunt" or suppression by fellow Directors in discharging their responsibilities.

4. REPORTING

The RMC shall report to the Board of Directors the proceedings, findings and recommendations discussed at each meeting and on any specific matters referred to it by the Board.

5. QUORUM

The quorum for all meetings of the RMC shall not be less than two (2) members, where the members present shall comprise a majority of Independent Directors.

6. MEETINGS

The RMC may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least four (4) times per year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

Notice of RMC Meetings shall be given to all the RMC members at least seven (7) days prior to each meeting unless the Risk Management Committee waives such requirement.

Questions arising at any meeting of the RMC shall be decided on a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Meeting shall have a second or casting vote.

the Board or the Audit Committee shall normally be invited to attend the meetings. Other Management members, RMWG and Internal Auditor ("IA") maybe be invited to attend as and when required by the RMC.

7. SECRETARY

The Company Secretary of the Company shall be the Secretary of the RMC and shall provide the necessary administrative and secretarial services for the effective functioning of the RMC. The draft minutes shall be circulated to the RMC members for comment and the signed minutes shall be tabled at the subsequent RMC meeting.

8. CIRCULAR RESOLUTIONS

A resolution in writing signed by all of the RMC members for the time being shall be as valid and effectual as if it had been passed at a Meeting of the RMC duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more RMC members. Any such document, may be accepted as sufficiently signed by a RMC member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message purporting to include a signature of a RMC member.

9. FUNCTION

The Board has defined the roles and responsibilities of RMC. This is to ensure that risk management framework is in place with an adequate awareness and understanding of risk and control by the Management and risk owners in order to safeguard stakeholders' interests and add value to the organisation.

As such, the Board has delegated the monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.

(i) Role of Chairman

The Chairman will act as facilitator at meetings of the RMC and ensure that no RMC member, dominates the discussion, and that appreciates discussion takes places and that relevant opinion among RMC members are forthcoming.

The key roles and accountabilities of the Chairman include:

- (a) Managing RMC communications and its effectiveness.
- (b) Creating conducive environment for effective deliberation and decision making.
- (c) Ensuring Company's policies and procedures are in compliance with good conduct and best practices.
- (d) Maintaining good contact and effective relationships with external parties, investing public, regulatory agencies and trade associates.
- (e) Ensuring that quality information to facilitate decision-making is delivered to the Board in a timely manner.
- (f) Focal point of communications with external parties (in particular External Auditors, Investors, bankers and shareholders).

The Chairman shall also coordinate with the Chairman of the Audit Committee to assist the Audit Committee in its review of the Company's system of internal control that has been delegated to the Audit Committee in its charter.

(ii) Role of RMC

The function of RMC in which their authority and responsibilities have been incorporated shall be as follows:

- (a) To review and discuss with RMWG the Company's risk governance structure, risk assessment and risk management practices and the guidelines, policies and processes for risk assessment and risk management.
- (b) To review and discuss with the Board and the Management of the Company's risk appetite.
- (c) To discuss with the Chairman of the RMWG of the Company's risk assessment and risk management guidelines, policies and processes, as the case may be. The Committee may have a private meeting (excluding the Managing Director / Executive Directors) as and when necessary.
- (d) To receive, as and when appropriate, reports from the Company's Internal Auditors' internal audit function on the results of risk management reviews and assessments.
- (e) To receive, deliberate and accept, as and when appropriate, reports from the Company's RMWG their risk management report.
- (f) To approve the appointment and, when and if appropriate, replacement of the Company's Chairman of the RMWG, whom shall have a reporting relationship with the RMC.

- (g) To review the disclosure regarding the risk management and internal control statement.
- (h) To review reports on selected risk topics as the RMC deems appropriate from time to time.
- (i) To be given unrestricted access to the Group's Management and the accurate and complete information pertaining to the Company and/ or the Group including from the Company and / or the Group's auditors and consultants.
- (j) To discharge any other duties or responsibilities delegated to the RMC by the Board.
- (k) The RMC shall have the authority to delegate any of its responsibilities to sub-committees as the RMC may deem appropriate. The RMC shall have authority to retain such outside legal counsel. Experts and other advisors as the committee may deem appropriate in its sole discretion. The RMC shall have sole authority to approve related fees and retention terms.
- (l) The RMC shall report its actions and any recommendations to the Board and shall conduct and present to the Board an annual performance evaluation of the Committee. The RMC shall review at least annually the adequacy of this Charter and Framework and recommend any proposed changes to the Board for approval.
- (m) Attend all necessary and required trainings (internal and external courses) at the expense of the Company in order to equip and update themselves on the latest pronouncement and regulations concerning risk management and internal audit.

(iii) New RMC members

A new RMC member shall be briefed on the terms of their appointment, their duties and obligations and on the operations of the Company and its subsidiaries ("**Group**").

Copies of the following documents shall be provided to the newly appointed RMC member:

- (a) Board Charter;
- (b) Risk Management Charter;
- (c) Auditor Committee Charter;
- (d) Constitution;
- (e) Committees' composition and terms of reference;
- (f) Latest annual reports and financial statements; and
- (g) Organisation chart.

8. AUTHORITY

(i) Executive Powers of the Committee

Independent Advisors

The RMC shall have the authority to engage such independent legal and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Group. The RMC is empowered, without further action by the Board, to cause the Group to pay the compensation of such advisors as establish by the Committee.

Implementation of Controls

The RMC shall have the authority to instruct any of the Management to execute the corrective action plan proposed by the Risk Owners as long as the plan does not hamper/in conflict with the Organisation's objectives. The RMC also have the authority to request the Risk Owner or the Management to report directly to the RMC of their action plan.

9. CORPORATE GOVERNANCE DISCLOSURE

The RMC guided by paragraph 15.27 of the MMLR shall ensure the Company provide adequate narrative statement of its risk management framework ("**RMF**").

The Risk Management and Internal Control Statement would be concurrently recommended by the RMC and also the Audit Committee. Both the Committees shall then propose to the Board of Directors for approval. Disclosure of the statement is made by way of circulating the Annual Report in publicly available domain and at the Company's website (if recommended) by the Board.

The RMC shall also oversee the publication of the risk management framework the official company's official website.