

**Risk Management Committee Charter**

**1. The function of the Risk Management Committee**

The primary functions of the Risk Management Committee ("Committee" or "RMC") of Westports Holdings Berhad ("Company or Group") are to assist the Board in fulfilling its statutory and fiduciary responsibilities, including ensuring that the Company has in place a sound and robust risk management and internal control framework and also ensure that such framework has been effectively implemented to enhance the Company's ability to achieve its strategic objectives.

**2. Composition**

- 2.1** The Committee shall be appointed by the Board from among its members, comprising no fewer than three (3) directors, all of whom shall be non-executive directors with majority independent directors.
- 2.2** The Board shall appoint the Chairman of the Committee, who shall be an independent non-executive director and not Chairman of the Board.
- 2.3** At least one (1) member of the Committee must also be a member of the Audit Committee. It will foster a common understanding of the risk management and internal control system and ensure coordination between the Board Committees of Group in its risk and governance oversight roles.
- 2.4** The Board on the recommendation of the Nomination and Remuneration Committee shall appoint the members of the Committee.
- 2.5** Alternate directors shall not be appointed as members of the Committee.

**3.0 Authority of the Committee**

The Committee is duly authorised by the Board to:

- a) investigate any activities within its charter;
- b) seek any information that it requires from any employee of the Group and to be provided with full and unrestricted access to such information;
- c) obtain independent professional advice or invite outsiders with relevant experience to attend the Committee meetings and to advise the Committee, if the Committee deems it appropriate to carry out its functions under this Charter;
- d) have access to the Group's resources, at the Group's expense, to perform the Committee's duties;
- e) recommend steps or proposed courses of action, where required, to the Board on matters arising from the discharge of the Committee's duties and responsibilities.

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**4.0 Responsibilities of the Committee**

The Committee shall:

- 4.1** Ensure the Company adopts sound and effective policies, procedures and practices for all its risk functions and ensure adequate testing to improve its resilience and preparedness for any eventualities.
- 4.2** Review and recommend the risk management, methodologies, policies and risk tolerance levels.
- 4.3** Review and assess the adequacy of the governing policies, framework and structure to manage the risk.
- 4.4** Ensure adequate infrastructure, resources, and systems are in place for effective risk management.
- 4.5** Review the Enterprise Risk Management reports on risk management activities, exposure and mitigating actions.
- 4.6** Review the Crisis Management and Business Continuity Plan to ensure business resilience and capability in recovering from a crisis should it occur.
- 4.7** Review the corruption risk assessment annually with the impact criteria and control measures being conscientiously considered.
- 4.8** Review the Statement on Risk Management and Internal Control in the Company's Annual Report to ensure relevant information as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 4.9** Review business proposal such as greenfield investments, mergers and acquisitions, and overseas ventures to be in accordance with the Company Business Strategy and risk tolerance.
- 4.10** Review the development and implementation of the Company's long-term Business Strategy.

**5. Meetings of the Committee**

- 5.1** The Chairman of the Committee will be responsible for calling meetings of the Committee, establishing the agenda therefore and supervising the conduct thereof.
- 5.2** The Chairman of the Committee or Secretary of the Committee on the requisition of the members, shall at any time summon a meeting of the Committee by giving 3 days' advance notice or if the consent of all the members are obtained, by a shorter notice.
- 5.3** The Committee shall meet at least four (4) times during each financial year, or more frequently as it may determine necessary, to carry out its responsibilities as set forth herein. In order to form a quorum for a meeting of the Committee, at least two (2) members must be present, and the majority of the members present must be independent directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.
- 5.4** Only the Chairman and the members are to be present at a meeting of the Committee. The Committee may, at its discretion, request Board members, any officer or employee of the Group to attend a meeting of the Committee or meet with any members of, or consultants to, the Committee.
- 5.5** The Committee may regulate its own procedures, in particular on the conduct of

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the Committee meetings, including attendance at a meeting by being present in person or by participating in the meeting by means of video or teleconference. Such participation in a meeting by means of video or teleconference shall constitute presence in person at such meeting. The Committee should record its deliberations in terms of the issues discussed and the conclusions in discharging its duties and responsibilities, with the minutes kept and distributed to each member of the Committee and of the Board.

- 5.6** A resolution in writing signed (include an electronic or digital signature) or approved by letter, electronic mail, telegram, telefax, or other electronic communication by all members in lieu of convening a formal meeting shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.
- 5.7** The Chairman of the Committee should engage on a continuous basis with senior management such as the Chairman of the Board, Group Managing Director, Chief Financial Officer and Head of Finance in order to be kept informed of matters affecting the Group.
- 5.8** The Secretary of the Company or a management representative shall be the Secretary of the Committee. The Secretary of the Committee shall circulate the minutes of the Committee meetings to all members of the Committee and the Board. The Secretary of the Committee shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

#### **6. Consultants**

The Committee may retain, at the Group's expense, at such times and on such terms as the Committee determines at its sole discretion, consultants to advise and assist it in discharging its responsibilities as set forth herein.

#### **7. Reporting**

- 7.1** The Chairman of the Committee shall report its activities to the Board at each financial quarter meeting and, where appropriate in any other manner and time, as it deems necessary.
- 7.2** The Chairman of the Committee should attend the annual general meeting to address queries relating to the Committee's activities and matters within the scope of the Committee's responsibilities.

#### **8. Annual Review of Charter**

The Committee shall review and reassess, with the assistance of management, the adequacy of the Committee's charter in light of new best practices and new legal or regulatory requirements, at least annually and recommend the proposed changes to the Board. The Charter must be made available on the Company's website.

#### **9. Annual Self-Assessment Review**

The Committee shall conduct a self-assessment to monitor their overall effectiveness in meeting their responsibilities and report the results to the Board at least annually. All such evaluations or assessments should be documented appropriately.

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**10. Training**

The Committee shall be provided with appropriate and timely training, if necessary, both in the form of an induction programme for new members and on an ongoing basis for all members to aid its members in the discharge of their duties.

**11. Rights and Powers of the Committee**

In general and unless otherwise expressly authorised by the Board, the Committee shall not have delegated powers from the Board to implement its recommendations but is obliged to report its recommendations to the Board for consideration and implementation.

This Risk Management Committee Charter approved by the Board on 1 January 2022.