



IRIS GROUP BERHAD
Registration No. 202501015184 (1616599-X)
(Incorporated in Malaysia)

**TERMS OF REFERENCE OF
RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE**

1. OBJECTIVE

The Risk Management and Sustainability Committee (“RMSC”) is established to support and assist the Board in discharging its statutory duties and responsibilities relating to risk management and sustainability initiatives of the Company and IRIS Group of Companies (“the Group”) as well as having an oversight of the risk management and internal control. The Committee is authorised by the Board to deal with and to deliberate on matters delegated by the Board under clearly defined terms of reference. The establishment of the Risk Management and Sustainability Committee is in line with MCCG’s Step Up Practice 10.3.

2. COMPOSITION

- 2.1 The RMSC comprises of at least three (3) Non-Executive Directors, a majority of whom must be Independent Directors.
- 2.2 The RMSC will elect an Independent Director from amongst them as its Chairman. The Chairman of the Committee should not be the Chairman of the Board.
- 2.3 No Alternate Director shall be appointed as a member of the Committee.
- 2.4 If the Chairman or any Committee member resigns or otherwise ceases to serve, resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months, elect an independent Chairman or appoint new member(s) to make up the minimum number of three (3) members.

3. FREQUENCY AND NOTICE OF MEETINGS

- 3.1 The RMSC shall meet on a quarterly basis to carry its function, and additional meetings may be called as and when necessary.
- 3.2 A quorum shall consists of Independent Directors and shall not be less than two (2).
- 3.3 The complete and accurate meeting materials are distributed seven (7) days in advance to the meeting to ensure the respective Board and Board Committees members have sufficient time to review and to analyse the meeting materials as well as seek any clarification that they may need from the Management.
- 3.4 The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.

4. RIGHTS AND AUTHORITY

- 4.1 The RMSC has the authority to make decisions within its defined responsibilities, access all necessary information, records, properties and personnel of the Company and use sufficient resources at the Company’s expense including obtaining independent professional advice, to carry out its duties.

- 4.2 The RMSC has the authority to instruct Risk Department and Sustainability Working Group and/or other department in charge to perform duties as necessary to support the Committee in discharging its functions and duties.
- 4.3 Have direct communication channels with the Internal Auditors.

5. ROLES AND RESPONSIBILITIES

The RMSC meets on a quarterly basis to carry its functions. In fulfilling its primary objectives, RMSC will need to undertake inter-alia the following roles and responsibilities:-

- 5.1 Internal Audit
 - i. review the internal audit plan as proposed by the outsourced Internal Auditors for the Group and the Company to ensure the adequacy of the scope and coverage of the work;
 - ii. review the internal audit reports presented by the Internal Auditors;
 - iii. review the progress of the implementation of corrective action plans agreed by the Management on all significant audit issues;
 - iv. review the status of outstanding audit recommendations as presented by the Internal Auditors; and
 - v. ensure the independence and objectivity from the Internal Auditors that the audit personnel are free from any relationship or conflicts of interest with the Group during the audit for the financial year under review.
- 5.2 Risk Management and Internal Control
 - i. review the adequacy of the risk management framework and recommend to the Board for approval;
 - ii. review the framework for the Anti-Bribery and Anti-Corruption Policy and the necessary procedures under Section 17A (5) of the Malaysian Anti-Corruption Act 2009 and recommend to the Board for approval;
 - iii. review the framework and necessary procedures for the Whistleblowing Policy of the Group and recommend to the Board for approval;
 - iv. Review risk assessment results and formulate action plans to manage and/or mitigate identified risks. Communicate these results and action plans to the Board.
- 5.3 Annual Report

Review the Statement on Risk Management and Internal Control (SORMIC) and recommend to the Board for inclusion in the Annual Report.
- 5.4 Evaluation of new business / investment proposals

Review new business / investment proposal and recommend to the Board for approval.

5.5 Sustainability

- i. Review and recommend the Group's sustainability strategies, policies and targets for the Board's approval.
- ii. Ensures that the approved sustainability strategies, policies and priorities are aligned with Group's commitment towards sustainability agenda.
- iii. Review reporting framework, identified and evaluate significant and material sustainability risk and opportunities against sustainable business practices and ensure effective management and oversight.
- iv. Assess potential ESG risks and evaluate any material sustainability matters referred by the Board.
- v. Assess the effectiveness of the sustainability strategies, policies and principles against the priorities and targets set.
- vi. Drive the engagement on sustainability awareness to ensure adoption across the Group.
- vii. Ensure the Company and Group maintains proactive stakeholder engagement.
- viii. Review Sustainability Statement reporting to ensure compliance with Listing Requirement and adoption of Global Reporting Standards (GRI) as well as the applicable code of corporate governance prior to approval by the Board before its inclusion in the Annual Report.

5.6 Any other such functions as may be delegated by the Board from time to time.

6. INTERNAL AUDIT FUNCTION

The outsourced Internal Auditors are independent of the activities or operations of the Group. The Internal Auditors are empowered to audit the Group's business units, review the units' compliance with internal control procedures and to assist the RMSC and the Management in maintaining a sound system of internal controls. The RMSC has full access to the Internal Auditors for internal audit purposes.

7. REVIEW OF THE TERMS OF REFERENCE

RMSC shall review its terms of reference when necessary to ensure compliance to applicable laws and regulations.

Approved by the Board on 6 January 2026.