



PROLINTAS MANAGERS SDN. BHD.

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TERMS OF REFERENCE FOR BOARD GOVERNANCE, RISK AND INTEGRITY COMMITTEE

13 February 2023

(Version 1.0)

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PROPOSED TERMS OF REFERENCE FOR BOARD GOVERNANCE, RISK AND INTEGRITY COMMITTEE

1.0 INTRODUCTION

- 1.1 This Terms of Reference (“TOR”) for Board Governance, Risk and Integrity Committee (“the Committee”) sets out the requirements of the Board of Directors (“the Board”) of Prolintas Managers Sdn. Bhd. (“the Company”) for the establishment of the Committee.
- 1.2 The Committee is appointed by the Board for the purpose of overseeing the governance, risk management as well as the integrity and compliance process within the Company.
- 1.3 This TOR governs the processes of the Committee and outlines the procedures and guidelines in relation to its governance, risk and integrity role.

2.0 OBJECTIVE

- 2.1 The purpose of the Committee is to assist the Board in fulfilling its statutory and fiduciary responsibility by:
 - a) inculcating good governance and culture of integrity in the Company, as well as overseeing that the Company is operating in compliance with its policies and any applicable regulatory requirements;
 - b) overseeing that the Company practices the highest level of integrity and ethics, complies with applicable laws and regulatory requirements on anti-corruption and effectively manages the key corruption risks in the Company;
 - c) setting and overseeing the risk management and mitigation plans and internal control framework of the Company by regularly assessing it to ascertain its adequacy and effectiveness; and
 - d) assisting the Board to fulfil its responsibilities with regard to risk governance and risk management in order to manage the overall risk exposure to the Company.

- 2.2 The existence of the Committee does not diminish the Board's ultimate statutory and fiduciary responsibility for decision-making relating to the functions and duties of the Committee.

3.0 COMPOSITION

- 3.1 The members of the Committee shall be appointed by the Board, and shall consist of a minimum of three (3) members.
- 3.2 The Committee members shall have a mixture of expertise and experience, including sufficient understanding of the industries in which the Company operates in order to challenge and facilitate robust discussions on the management of the Company's key risk areas with the ability to anticipate, assess and mitigate potential future risks to the Company.
- 3.3 All members of the Committee shall be Non-Executive Directors with a majority being Independent Directors.
- 3.4 The Chairman of the Committee must be an independent director.
- 3.5 No alternate Director shall be appointed as a member of the Committee.
- 3.6 The Board shall appoint the Chairman of the Committee and determine the period for which the Chairman is to hold office. If a Chairman has not been appointed, or if the Chairman is not present for any meeting within a reasonable time, the present members shall choose amongst them to be acting Chairman for the purpose of the meeting.
- 3.7 In the event of any vacancy in the Committee, a suitable non-executive Director shall fill the vacancy within three (3) months.

4.0 MEETING PROCEDURES

4.1 Quorum

4.1.1 The quorum necessary for the transaction of the business shall be two (2) members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4.2 Frequency

4.2.1 The meetings shall be conducted at least four (4) times each year and at such other time(s) as it deems necessary to fulfil its responsibilities.

4.3 Notice and Agenda

4.3.1 The Company Secretary shall issue and circulate the notice of the meetings confirming the venue, time and date at least five (5) working days before each meeting to the committee members and all those who are required to attend the meeting; and

4.3.2 The agenda for each meeting including relevant documents and information requested by the Committee shall be circulated at least five (5) working days before each meeting to the Committee members and all those who are required to attend the meeting.

4.4 Meeting Mode

4.4.1 The meeting shall normally be conducted face-to-face to enable effective discussion; however, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the Committee.

4.4.2 The Committee may from time to time and if deemed appropriate, consider and approve and/or recommend relevant matters via a Circular Resolution in writing, in lieu of formally convening a meeting. The Circular Resolution shall be as valid and effectual as if it has been passed by a Committee meeting duly convened. Approval obtained via Circular Resolution must be signed or approved by a majority of the Committee members subject to 4.5.2.

4.5 Voting

4.5.1 Each member of the Committee is entitled to one (1) vote in deciding the matters deliberated in the meeting. In the case of an equality of votes, the Chairman of the Committee shall have a second or casting votes.

4.5.2 A Committee member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

4.6 Company Secretary

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

4.6.2 The Secretary shall have the following responsibilities:

- a) ensure meetings are arranged and held accordingly;
- b) draw up meeting agendas in consultation with the Chairman of the Committee, which shall be circulated together with the relevant support papers at least five (5) working days prior to each meeting to the members of the Committee;
- c) ensure structured communication between the Board and the Committee;
- d) be in attendance at each Committee meetings;

- e) ensure proceedings of the meetings are recorded and the minutes submitted to and confirmed by Chairman of the Committee before circulating them to the Board; and
- f) ensure the Committee recommendations presented to the Board are supported by papers; including minutes explaining the rationale for the Committee's recommendation.

4.7 Meeting Minutes

- 4.7.1 The minutes of the meeting shall be action oriented and record the deliberations and decisions of the Committee.
- 4.7.2 Minutes shall be distributed to Committee members and shall be approved by the Chairman of the meeting at which the proceedings are held or by the Chairman of the next succeeding meeting.
- 4.7.3 The Committee, through its Chairman, shall update the Board on the activities undertaken by the Committee at each Board meeting.

5.0 RESPONSIBILITIES AND DUTIES

- 5.1 The purpose of the Committee is to assist the Board in the execution of its responsibility for the governance, risk and integrity, and fulfilling its oversight responsibilities in respect of the following:

Governance and Integrity

- a) To oversee issues of corruption, fraud, malpractice, and unethical conduct within the Company;
- b) To assist the Board in carrying out its responsibilities towards an organization free from corruption, with integrity and good governance, in addition to overseeing the Integrity and Governance Unit in achieving its objectives;
- c) To consider other governance and compliance matters as defined by the Board; and

- d) To review the Corporate Governance Overview Statement and Corporate Governance Report to be included in the annual report and recommend for approval by the Board.

Risk Management

- a) To assist the Board in the review and assessment of the principal risks in the achievement of the Company's objectives and overseeing the implementation of appropriate systems/processes to manage these risks;
- b) Review and recommend the risk management framework, policies and procedures for the approval and acknowledgement of the Board and provide guidance on the overall risk management strategy and directives for implementation to ensure principles and requirements of managing risk are consistently adopted throughout the Company;
- c) Review and recommend the business continuity framework, policy and procedures for the approval of the Board and ensure that a robust business continuity management programme is consistently adopted throughout the Company to improve its resilience and preparedness for any disruptions and stress conditions; and
- d) Oversee and advise the Board on the current risk exposures of the Company.

Other responsibilities of the Committee includes:

- e) to ensure ongoing awareness programmes, communication, training and education on risk and compliance management;
- f) to promote a healthy governance, risk and integrity culture and behaviours that ensure the effectiveness of the processes (e.g. discourage excessive risk-taking, bribery and corruption due to misaligned key performance indicators and remuneration schemes); and
- g) to consider other matters relating to governance, risk and integrity, including relevant legislature applicable in all operating areas of the Company.

6.0 AUTHORITY

6.1 The Committee shall have the following authority as empowered by the Board:

- a) the authority to investigate any activity or matter within its terms of reference;
- b) to acquire the sources which are required to perform its duties;
- c) to seek any information required from any officer or employee of the Company and all employees are directed to cooperate with any request made by the Committee;
- d) in carrying out its duties, the Committee shall have full and unrestricted access to any information and documents relevant to its activities. All employees are directed to cooperate with any request made by the Committee; and
- e) the Committee shall have the authority to obtain external or independent professional advice or expertise if necessary.

7.0 REVISION OF TERMS OF REFERENCE

7.1 The TOR for the Committee should be reviewed at least every three (3) years or whenever deemed necessary.

7.2 The TOR shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code of Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements. It shall also be reviewed and updated when there are changes to the direction and strategies to the Company that may affect the Committee's.