

TERMS OF REFERENCE OF THE RISK AND SUSTAINABILITY COMMITTEE

1. PURPOSE AND GOVERNANCE PHILOSOPHY

- 1.1 The Board of Directors ("Board") of Ancom Nylex Berhad ("ANB" or "Company") is ultimately accountable for the Group's approach to risk management and for the standards by which sustainability, climate-related and Occupational Safety and Health ("OSH") matters are identified, assessed and managed across the Company and its subsidiaries (the "Group"). That accountability is not delegated.
- 1.2 The Board establishes the Risk and Sustainability Committee ("Committee") to exercise focused oversight on its behalf. The Committee does not manage risk on a day-to-day basis or operate the Group's risk controls; those are the responsibilities of Management. The Committee's role is to satisfy itself that Management has developed, implemented and maintained a sound risk management framework, and that risk, sustainability and OSH matters are properly identified, assessed, mitigated and monitored.
- 1.3 The Committee's effectiveness rests on its members having a diverse mix of expertise and experience, including a sufficient understanding of the industries in which the Group operates, direct access to information and to people across the Group, and a willingness to escalate any matter that is not satisfactorily resolved. These Terms of Reference are to be read and applied with that intent, and are not to be treated as an exhaustive checklist limiting the Committee's enquiry.
- 1.4 These Terms of Reference are guided by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and by the Malaysian Code on Corporate Governance ("MCCG").

2. OVERSIGHT MANDATE

- 2.1 The Committee assists the Board by providing oversight of:
 - (a) the Group's risk management strategies, policies, procedures and risk appetite framework, including those pertaining to sustainability and climate-related risks and opportunities, and Occupational Safety and Health, ensuring that they are communicated and adhered to throughout the Group;
 - (b) the adequacy and effectiveness of the Group's risk management framework in identifying, assessing, managing, mitigating and monitoring business, operational, financial, compliance, Environmental, Social and Governance ("ESG"), OSH, and bribery and corruption risks;
 - (c) the integration of ESG risk management into the Group's overall risk management framework;
 - (d) the adequacy of infrastructure, resources and systems supporting the Group's risk management framework, including those pertaining to sustainability, climate-related risks and opportunities, and OSH;
 - (e) the ongoing education and training of Directors, Management and employees of the Group on risk management, sustainability, safety and health, and climate-related risks and opportunities; and
 - (f) the Group's compliance with applicable legal and regulatory requirements relating to risk management, sustainability and OSH.
- 2.2 Where a matter falls within the remit of both the Committee and another Board committee — in particular the Audit Committee in relation to internal control, compliance and assurance — the Committee shall coordinate with that committee so that the matter is properly covered without duplication or gap, and shall report to the Board on how it has been dealt with.

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3. COMPOSITION

- 3.1 The Committee shall be appointed by the Board from among its members and shall comprise no fewer than three members, the majority of whom must be Independent Non-Executive Directors as defined in the Listing Requirements.
- 3.2 No Alternate Director may be appointed a member of the Committee.
- 3.3 The Board shall appoint as Chairman of the Committee ("Chairman") a member who is an Independent Non-Executive Director, to ensure the overall effectiveness and independence of the Committee.
- 3.4 Where a vacancy reduces the Committee below three members, the Board shall fill the vacancy within three months of that event.
- 3.5 All members of the Committee shall hold office until otherwise determined by the Board.
- 3.6 A member who ceases to be a Director ceases to be a member of the Committee.

4. AUTHORITY

- 4.1 In discharging its responsibilities the Committee has, at the Company's cost:
 - (a) explicit authority to investigate any matter within these Terms of Reference;
 - (b) all the resources required to perform its duties;
 - (c) full and unrestricted access to any information pertaining to the Group;
 - (d) the authority to invite any Directors, Management or employees to attend its meetings, if necessary;
 - (e) direct communication channels with the Executive Vice Chairman, the Managing Director / Group Chief Executive Officer, the Chief Financial Officer, and other Management of the Group;
 - (f) the ability to convene meetings at its discretion with Management and employees of the Group, without the attendance of other Directors; and
 - (g) authority to obtain independent professional or other advice, and to secure the attendance at its meetings of any person with relevant experience or expertise, as it considers necessary on matters pertaining to risk management.
- 4.2 The Committee's authority is exercised as a committee. An individual member has no authority to act alone in the name of the Committee except as expressly delegated by it.

5. RESPONSIBILITIES

The Committee members shall have a diverse mix of expertise and experience, including a sufficient understanding of the industries in which the Group operates, to anticipate, assess, challenge, deliberate, advise and manage the Group's key risk areas. In order to fulfil its responsibilities to the Board, the Committee shall:

A. Risk Management Framework

- 5.1 Develop, review and recommend to the Board the overall risk management strategies, policies, procedures and risk appetite framework of the Group, including those pertaining to sustainability and climate-related risks and opportunities, OSH, and the review of all related sustainability and OSH policies, and ensure that they are communicated and adhered to throughout the Group.
- 5.2 Implement and maintain a sound risk management framework which identifies, assesses, manages/mitigates and regularly monitors the Group's business, operational, financial,

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- compliance, ESG, OSH, and bribery and corruption risks, and assess the effectiveness of the mitigating actions put in place to manage these risks so as to ascertain the Group's resilience.
- 5.3 Periodically review and assess the adequacy of risk management policies and frameworks and recommend changes as needed to ensure that the Group has in place at all times an effective risk management framework, including robust oversight, reporting and internal controls pertaining to sustainability, climate-related risks and opportunities, and OSH.

B. Sustainability and ESG Integration

- 5.4 Oversee the integration of ESG risk management into the Group's overall risk management framework.

C. Training and Capability Building

- 5.5 Ensure ongoing education and training for the Directors, Management and employees of the Group on sustainability, safety and health, and climate-related risks and opportunities, as well as on general risk management.

D. Resources and Infrastructure

- 5.6 Review the adequacy of infrastructure, resources and systems for the Group's risk management framework, as well as those pertaining to sustainability, climate-related risks and opportunities, and OSH.
- 5.7 Carry out such other responsibilities, functions or assignments relating to risk management and sustainability as the Board may determine from time to time.

6. RELATIONSHIP WITH MANAGEMENT

- 6.1 The Chief Financial Officer, the Head of the Risk and Sustainability Working Group, the ESG Senior Manager, and the President of the Occupational Safety and Health Committee in the Risk and Sustainability Working Group shall attend meetings of the Committee. Other Management may attend a meeting upon the invitation of the Committee, in order to provide information or assistance.

7. MEETINGS AND PROCEEDINGS

- 7.1 The Committee shall meet half-yearly. Additional meetings may be convened by the Board, at the request of the Chairman or any member of the Committee.
- 7.2 The quorum for a meeting is two members, both of whom must be Independent Non-Executive Directors.
- 7.3 The agenda and meeting papers shall be circulated to all members, and to any other person required to attend, at least seven days before the meeting, unless that requirement is waived by the members at the meeting.
- 7.4 Each member has one vote. Decisions are made by a majority of votes. In the case of an equality of votes the Chairman, or in the Chairman's absence the member chairing the meeting, has a second and casting vote.
- 7.5 A resolution in writing signed or approved by electronic means by a majority of the members is as effective as a resolution passed at a duly convened meeting, and may consist of several documents in like form each signed by one or more members.
- 7.6 One of the Company Secretaries shall be the Secretary of the Committee. The Secretary, in consultation with the Chairman, shall settle the agenda for each meeting and shall be responsible for keeping proper records of the Committee's minutes and resolutions.
- 7.7 The Secretary shall minute the proceedings and resolutions of every meeting. Minutes confirmed at a subsequent meeting and signed by the Chairman of the meeting at which the proceedings were held, or by the Chairman of the next succeeding meeting, shall be a correct

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record of the proceedings. Minutes shall be kept by the Secretary and are open to inspection by any member of the Committee or of the Board.

8. REPORTING

- 8.1 The Chairman shall report formally to the Board on the proceedings of each meeting and on all matters within the Committee's responsibilities, and the Committee shall make such recommendations to the Board as it considers appropriate in any area within its remit where action or improvement is needed. Minutes of Committee meetings shall be tabled to the Board for notation.
- 8.2 The Committee shall prepare the Risk and Sustainability Committee Report on the activities carried out in discharging its duties during the financial year, for inclusion in the Company's annual report.
- 8.3 The Committee, together with the Audit Committee, shall prepare the Statement on Risk Management and Internal Control for inclusion in the Company's annual report in accordance with Paragraph 15.26(b) of the Listing Requirements, guided by the MCCG and by the 'Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers' issued by Bursa Malaysia Securities Berhad.
- 8.4 The Chairman shall attend the general meetings of the Company to provide explanations and to respond to questions relating to the Committee's activities.

9. REVIEW AND PUBLICATION

- 9.1 This Policy shall be reviewed at least once every three years, and whenever there is a material change in the applicable law, regulation, auditing or ethical standards, or in the circumstances of the Group. Any amendment is subject to the approval of the Board.
- 9.2 These Terms of Reference shall be made available on the Company's website at www.ancomnylex.com.

DOCUMENT CONTROL

Document	Terms of Reference of the Risk and Sustainability Committee
Owner	Risk Management & Sustainability Committee
Approved by	Board of Directors
Date of approval	29 September 2026
Supersedes	Terms of Reference of the Risk and Sustainability Committee dated 20 January 2026