SARAWAK OIL PALMS BERHAD
Registration No.196801000358 (7949-M)

GROUP RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE –

TERMS OF REFERENCE (“TOR”)

1. OBJECTIVE

The Committee assists the Board of Directors in providing oversight of the Group's risk management framework and sustainability strategies, including the management of environmental, social and governance ("ESG") risks and opportunities, to ensure their adequacy, effectiveness and alignment with the Group's business objectives.

2. COMPOSITION

2.1 The Group Risk Management and Sustainability Committee ("GRSC") shall be appointed by the Board from amongst its members and shall comprise of at least three (3) members, with a majority of the members being Independent Directors.

2.2 A member who wishes to retire or resign from the GRSC shall notify the Board in writing, giving at least two (2) months' notice or a shorter period as agreed upon by the Board. The appointment of a committee member will be terminated when a member ceases to be a director.

3. CHAIRMAN AND SECRETARY

3.1 The members of the Committee shall elect a Chairman from amongst themselves, who must be an Independent Director, subject to Board approval.

3.2 The Company Secretary shall be the Secretary to the Committee and shall attend all meetings thereof. The Secretary shall minute the proceedings and maintain a record of attendance of members present at each meeting.

4. MEETINGS

4.1 The GRSC shall meet at least four (4) times annually to review risk management and sustainability matters, with sustainability matters being reviewed at least twice annually. However, additional meetings may be convened when the need arises.

4.2 The quorum for the meetings shall be two (2) members, the majority of whom shall be Independent Directors.

4.3 In the absence of the Chairman, the members present shall elect from amongst themselves an Independent Director to act as Chairman of the meeting.

4.4 Minutes of the GRSC meetings will be presented to the Board at the ensuing Board meeting.

4. MEETINGS (CONT'D)

4.5 The GRSC may pass resolutions by circulation. A resolution in writing signed by a majority of GRSC members shall be as valid and effectual as if it had been passed at a meeting of the GRSC duly called and constituted.

4.6 Matters arising at any GRSC meeting shall be decided by majority vote, each member having one (1) vote. In the event of equality of votes, the Chairman of the GRSC shall have a casting vote.

5. DUTIES AND RESPONSIBILITIES

The GRSC's oversight of risk management covers enterprise-wide risks, while sustainability oversight focuses on environmental, social and governance ("ESG") matters, including climate-related risks and opportunities, as a subset of the Group's overall risk profile.

5.1 Risk Management

The Committee shall assist the Board in overseeing the adequacy and effectiveness of the Group's risk management and internal control framework, including but not limited to the following:

5.1.1 Review and assess the adequacy and effectiveness of the Group's risk management framework, policies, systems and processes to identify, assess, manage and monitor financial and non-financial risks, and ensure continuous improvement in line with changes in the business environment.

5.1.2 Review and recommend to the Board the Group's risk appetite and tolerance levels, and monitor adherence to the approved risk appetite.

5.1.3 Review risk exposures, including significant and emerging risks, relating to internal control, fraud and whistleblowing frameworks, and ensure appropriate mitigation measures and controls are implemented.

5.1.4 Review reports on material breaches of risk limits and assess the adequacy, timeliness and effectiveness of corrective actions taken by Management.

5.1.5 Review key risks associated with major investments and projects and monitor the adequacy of risk mitigation measures.

5. DUTIES AND RESPONSIBILITIES (CONT'D)

5.2 Sustainability

The Committee shall assist the Board in overseeing sustainability-related strategies, frameworks and disclosures, including but not limited to the following:

5.2.1 Review and recommend the Group's sustainability strategies, ensuring alignment with business objectives, sustainability commitments and evolving ESG trends.

5.2.2 Review the development, implementation and integration of the Group's sustainability framework, initiatives and practices into its overall operations and business activities and ensure compliance with approved policies and standards.

5.2.3 Review and recommend sustainability-related policies and standards for adoption by the Board

5.2.4 Oversee the identification, assessment and management of sustainability- and climate-related risks and opportunities and provide independent oversight of the Group's sustainability reporting processes and related internal controls, including ensuring the accuracy, completeness and integrity of sustainability disclosures prior to submission to the Board.

5.2.5 Ensure alignment of sustainability disclosures with applicable regulatory requirements and reporting standards.

5.2.6 Report to the Board on the Committee's activities, deliberations and recommendations and any other activities, as authorised by the Board.

6. AUTHORITY

6.1 The Committee is authorised to seek any information it requires from employees, who are required to co-operate with any request made by Committee.

6.2 The Committee shall have full and unlimited access to any information pertaining to the Group as well as direct communication to the internal and external auditors and with senior management of the Group.

6.3 The committee shall have the resources that are required to perform its duties. The committee can obtain at the expense of the Group, outside legal or other independent professional advice, which it considers necessary.

7. REVIEW OF THE TERMS OF REFERENCE

7.1 The Terms of Reference has been adopted by the Board on 25th April 2026. These terms of reference may from time to time be amended as required, subject to the approval of the Board.