



SUNWAY HEALTHCARE HOLDINGS BERHAD
Registration No. 202101000296 (1400594-U)

**TERMS OF REFERENCE OF
RISK MANAGEMENT COMMITTEE**

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TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE

1. OBJECTIVES

The Risk Management Committee (“Committee”) is a committee of the Board of Directors of Sunway Healthcare Holdings Berhad (“Company”) (“Board”) established to provide oversight of the Company’s risk management framework and policies. The terms of reference govern the processes of the Committee and outline the policies, procedures and guidelines in relation to the risk management framework of the Company and its subsidiaries (“Group”).

The Committee oversees the Group’s overall risk management and compliance frameworks and all its related policies. The Committee reviews these frameworks and processes to ensure that they remain relevant for use, and monitors the effectiveness of risk treatment/mitigation action plans for the management and control of the key risks.

The Committee is accountable to the Board and is responsible for advising the Board on the adequacy and effectiveness of the risk management and compliance frameworks.

2. COMPOSITION

- 2.1 The Committee shall be appointed by the Board and shall comprise a majority of independent directors. The Committee shall comprise not fewer than three (3) in number. The appointment terminates when a member ceases to be a Director.
- 2.2 No alternate Director shall be appointed as a member of the Committee.
- 2.3 The Chairperson of the Committee (“Chairperson”) shall be elected from one (1) of the independent directors. The chairperson of the Board shall not be the Chairperson.
- 2.4 In the event of any vacancy in the Committee resulting in the number of members being reduced to below three (3), the Board shall fill the vacancy within three (3) months from the date of the vacancy.
- 2.5 The Board shall have the discretion as it deems fit to rescind and/or revoke the appointment of any person(s) on the Committee.
- 2.6 Members of the Committee may relinquish their membership in the Committee with prior written notice to the Company Secretary.
- 2.7 The Chairperson shall attend the Company’s general meetings and provide responses to questions addressed to the Committee.

3. DUTIES AND RESPONSIBILITIES

- 3.1 The Committee’s main duties and responsibilities include the following:
 - (a) reviewing and recommending for the Board’s approval, the appropriate risk management and compliance frameworks and measurement methodologies across the Group;

- (b) reviewing and assessing the relevance and adequacy of the risk management and compliance frameworks, governance structure and processes and its continuous benchmark against relevant standards;
- (c) reviewing and recommending risk management strategies, policies and level of risk tolerance for the Board's approval;
- (d) identifying, assessing and monitoring the effectiveness of risk treatment/mitigation action plans for the management and control of key business risks as well as material environmental, social and governance ("ESG") risks;
- (e) continuously assessing and ensuring that infrastructure, resources and systems are in place and adequate for the risk management and compliance functions;
- (f) reviewing periodic reports from the management of the Company ("Management") on risk exposure, risk profile, risk mitigation and compliance activities to ensure adequacy and effectiveness;
- (g) reviewing any other reports from Management within the purview of the Committee and as required by the Committee or the Board;
- (h) reviewing and monitoring the effectiveness of risk mitigation and rectification measures of the Group;
- (i) reviewing the Group's risk category and risk appetite with Management and assessing whether the Group's strategies are consistent with the agreed-upon risk category and risk appetite of the Group and recommending the aforesaid to the Board for approval on an annual basis;
- (j) reviewing the assumptions and analysis underpinning the determination of the Group's principal risks and whether adequate procedures are in place to ensure that new or materially changed risks are properly and promptly identified, understood and accounted for in the actions of the Group, as well as ensuring appropriate systems are in place to manage and mitigate risks;
- (k) reviewing the enterprise risk rating and determining the critical risks to be escalated to the Board on a quarterly basis;
- (l) reviewing the present and future risk trends and any material risk issue facing the Group;
- (m) promoting better governance culture and ethical behaviour within the Group by ensuring that structured policies and procedures on anti-bribery and corruption, anti-money laundering, anti-terrorism financing and proceeds of unlawful activities and other Group-wide mandatory policies are in place;
- (n) reviewing bribery and corruption, money laundering, terrorism financing, data governance, cybersecurity, code of conduct, business ethics, whistleblowing, corporate disclosure, succession planning and proceeds of unlawful activities risks as part of the quarterly and/or annual risk assessment of the Group;
- (o) ensuring proactive and effective measures in monitoring and mitigating material ESG risks that could affect the Group's assets and business operations;
- (p) obtaining regular updates from Management, legal and compliance team of the Group regarding regulatory and compliance matters;

- (q) reviewing the Statement on Risk Management and Internal Control for inclusion in the Company's integrated annual report to ensure that the relevant information as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") are disclosed, and reporting the results to the Board and recommending the same for the approval of the Board;
- (r) ensuring disclosure of the features of risk management and internal control framework, and the adequacy and effectiveness of this framework, in the Company's integrated annual report;
- (s) assisting the Board to effectively discharge its risk oversight responsibilities by monitoring and overseeing the Group's risk management and processes in identifying, evaluating, monitoring and managing significant risks within the Group;
- (t) reviewing the evaluation by the internal and external auditors of the Group's system of internal control and management's responses, ensuring that appropriate action is taken, and thereafter reporting the same to the Board;
- (u) reviewing the risk profile of the Group, including corporate liabilities and assessing Management's plans to mitigate such risks; and
- (v) evaluating the adequacy of the business continuity/disaster recovery procedures of the Group.

3.2 The Committee shall be assisted by the Chief Financial Officer, working committee for risk management (if applicable) or any other designated senior officer(s).

4. RIGHTS AND AUTHORITY

- 4.1 The Committee will have authority to engage and authorise expenses for independent consultants and other advisers as the Committee deems necessary to perform its duties.
- 4.2 The Committee may conduct or may authorise a third party to conduct specific assessments of any activity or function within the Group insofar as it relates to the duties of the Committee and is in accordance with these terms of reference.
- 4.3 The Committee is authorised to make recommendations to the Board on appropriate actions to be taken, resulting from such assessments.
- 4.4 The Committee will have access to all books, records, facilities and personnel of the Group necessary for the Committee to discharge its duties and responsibilities.

5. MEETINGS

- 5.1 The Committee shall meet at least quarterly in a year. Additional meetings may be called at any time at the Chairperson's discretion.
- 5.2 The quorum for the Committee meeting shall be two (2) members, who must be independent directors. The Chairperson shall chair the Committee meetings. In the absence of the Chairperson, the members of the Committee present shall choose one (1) of their members to chair the meeting.
- 5.3 A member of the Committee shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him/her.

- 5.4 The Head or representative of the Group Risk Management Department shall be in attendance at all meetings to present and discuss the risk management reports and other related matters as well as the recommendations relating thereto and to follow up on all relevant decisions made. Other members of Management may attend the meetings by invitation of the Committee.
- 5.5 The non-member Directors and employees of the Group may attend the meetings at the Committee's invitation, to assist in its deliberations and resolutions of matters raised.
- 5.6 A meeting of the Committee shall normally be conducted face to face to enable effective discussion. However, meetings may also be conducted via telephone conference, video conference or other appropriate means as determined by the Committee.

6. REPORTING

The Chairperson shall report the proceedings of each Committee meeting to the Board and update the Board on significant issues and concerns discussed if so required, and where appropriate, make necessary recommendations to the Board for consideration and implementation. The Committee has no executive power to implement the recommendations on behalf of the Board.

7. SECRETARY

- 7.1 The secretary to the Committee shall be the Company Secretary of the Company.
- 7.2 The secretary of the Committee shall be responsible, with the concurrence of the Chairperson, for drawing up and circulating the agenda and the notice of meetings together with supporting explanatory documentation to the members prior to each meeting.
- 7.3 The secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.

8. RESOLUTION IN WRITING

A resolution in writing signed or approved by electronic mail or any form of electronic approval or electronic signature via software, electronic devices or other means of communication apparatus or devices by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be forwarded or otherwise delivered to the Company Secretary and shall be recorded by the Company Secretary in the minute book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

9. REVIEW

The Committee shall recommend any changes to the terms of reference in such manner as the Committee deems appropriate to the Board for approval. The terms of reference shall be subject to periodic review to ensure that it remains relevant and updated in line with best practices, the MCCG, the Listing Requirements or any other regulatory requirements. The terms of reference should also be reviewed and updated by the Board when there are changes to the direction or strategies of the Group that may affect the Committee's role. The Board must approve any amendments herein.