



E.A. TECHNIQUE (M) BERHAD TERMS OF REFERENCE OF THE RISK & GOVERNANCE COMMITTEE

1. INTRODUCTION

The Risk & Governance Committee (RGC Committee) is established as a committee of E.A. Technique (M) Berhad (EATECH) Board of Directors (the Board). The RGC Committee is appointed by the Board for the purpose of overseeing the risk management and governance process within the Group.

2. PURPOSE

The RGC Committee supports the Board by overseeing the Risk Management & Governance framework of EATECH and its group of Companies (Group) and regularly assessing the framework to ascertain its adequacy and effectiveness. The RGC Committee's objectives are as follows: -

- i. To have overall responsibility for establishing a strategic approach to risk management process across the Group. Ensure that the necessary policies & processes are in place to achieve compliance with statutory requirements and to protect the staff and assets.
- ii. Oversee the policies, processes and strategies which were designed to manage the Economic, Environment and Social (EES) risks and achieve compliance with sustainable development, responsibilities and commitments and strive for an industry leadership position on sustainability.
- iii. *Oversee compliance with the corporate governance principles, culture and ethical values of the Group, in line with the Group's strategy.*

3. COMPOSITION

- i. The RGC Committee shall be appointed by the Board amongst their members and shall consist of not less than 3 members with a majority of independent directors.
- ii. It must be chaired by an independent director who is not the Chairman of the Board
- iii. Members comprise of directors who preferably have the knowledge, skills—and experience relevant to the responsibilities of the Committee
- iv. The RGC Committee may invite members of EATECH Management or staff to attend and participate in the meetings where necessary.

4. MEETINGS – FREQUENCY, QUORUM & MINUTES

- i. The Committee shall meet at least 4 times annually and at such other times as the Committee deems appropriate.
- ii. The quorum of the Committee shall be 3 members.
- iii. The minutes of the meeting shall be action oriented and record the deliberations and decisions of the RGC Committee. This includes the key deliberations, rationale for each decision made and any other significant concerns and dissenting views. The minutes must also indicate whether any member abstained from voting or excused himself from deliberating on a particular matter. The minutes shall include compiled Board instructions as Matters Arising for discussion to ensure proper follow through.
- iv. Any member who participates in the meeting via teleconferencing device shall be counted for the purpose of determining a quorum.
- v. In the event the Chairman is unable to attend the Committee meeting, the members present may elect any one of the directors present (who is not the Chairman of the Board) to be the Chairman of the meeting.
- vi. Minutes of the meetings shall be submitted to the Board for notification.

5. AGENDA

- i. The notice of the RGC meeting shall be issued and circulated confirming the venue, time and date at least seven (7) days before each meeting to the RGC Committee members and all those who are required to attend the meeting
- ii. The agenda for each meeting including relevant documents and information requested by the RGC Committee shall be circulated at least seven (7) days before each meeting to the RGC Committee members and all those who are required to attend the meeting
- iii. The meeting agenda shall be the responsibility of the Chairman with input from the RGC Committee members. The Chairman may also invite members of Management and other persons to participate in this process, where necessary

6. DUTIES AND FUNCTIONS

The duties and functions of the RGC Committee shall include but not limited to the followings:

Risk Management

- i. Provide oversight, guidance, and direction to the Group risk management activities.
- ii. Evaluate the effectiveness of Enterprise Risk Management and the process of assessing and managing the Group's Principal risks.
- iii. Review and evaluate the assessment of risk identification.
- iv. Recommend to the Board on any changes in the policy, framework, standards and procedures, and their implementation where applicable.
- v. Review and evaluate the Group level risk exposures and management of the significant financial and non-financial risk identified
- vi. Review risk management process, systems, and internal controls
- vii. Review regularly management reports on risk exposure

- viii. Review any new business proposals in terms of—potential liabilities and risks associated.
- ix. Review and recommend risk management strategies, policies and risk appetite for the Board's approval

Governance

- i. Review and recommend the Group's governance and compliance framework for the approval of the Board to inculcate an ethical environment and promulgate good governance practices consistent with the Board's risk appetite, guided by applicable laws and regulations, including but not limited to, the Malaysian Code on Corporate Governance.
- ii. Review policy governance of the Group and its compliance with applicable laws and regulations.
- iii. Review adequacy of compliance programme of the Group and the implementation of control measures to ensure ongoing awareness programme, communication, training and education on compliance.
- iv. Review the Integrated Report including Statement on Risk Management and Internal Control (SORMIC) and the Corporate Governance Report to ensure the relevant information as prescribed in the Main Market Listing Requirement (MMLR) of Bursa Malaysia Securities Berhad is disclosed.
- v. Monitor appropriateness of EATECH strategies in addressing material stakeholder sustainability concerns and ensure its compliance with sustainability policy and reporting requirements.
- vi. Review the Group's procedure for detecting fraud, including the adequacy of whistle blowing policy and process to encourage the employees and stakeholders to raise genuine concerns about illegal, unethical, or questionable practices in the Group.
- vii. Oversee issues of corruption, fraud, malpractice, and unethical conduct within the organization.
- viii. Oversee robust and reliable corruption risk information and monitoring system.
- ix. Establish a channel to inform enforcement authorities so that individuals who require protection under the MACC Act 2009 and Whistle blower Protection Act 2010 receive protection, and confidentiality of information is guaranteed as allocated in the Acts
- x. Review and recommend all policies related to anti-bribery and corruption.
- xi. Review the effectiveness of the reporting structure for the overall business activities and risk management functions and the implementation of the appropriate system to manage various types of risks.
- xii. To consider other governance and compliance matters as directed by the Board.

7. REPORTING TO THE BOARD

The Chairman of the RGC Committee shall report to the Board following each meeting. The report will cover on the matters as set out in the RGC Committee's duties and functions.

8. ACCESS TO INFORMATION

The RGC Committee has the right to obtain all information necessary for the performance of its duties and functions including obtaining independent professional or other advice, full access to the Group records, properties and personnel.

9. REVIEW

The terms of reference shall be reviewed on an annual basis to ensure that it reflects the current best practices in risk management and governance.

10. WRITTEN RESOLUTION

- i. Decision by the RGC Committee may be made via written resolution.
- ii. All decisions and /or approvals made via written resolution shall be presented at the subsequent Committee meeting for notation.