

1. Objectives

The primary function of the Risk Management Committee (“RMC”) is to assist the Board in fulfilling the following oversight objectives on the Group’s activities:

- Identify, coordinate, review and assess the Group’s business risk and processes of Eonmetall Group Berhad and all its subsidiaries and significant associates, including joint-ventures (the “Group”)
- Overseeing the risk management framework of the Group;
- Reviewing and recommending an appropriate risk management strategy so as to ensure that business and operational risks are effectively addressed by the Group;
- Reviewing the adequacy and completeness of the Group’s risk management process and recommending improvements where required.

2. Composition of RMC

The Committee comprised of Group COO as Chairman and a few Section Heads of the sub-groups and shall consist of the following:-

- Department Heads
- Team member from the various departments

Members of the RMC shall not comprise of persons having a relationship which in the opinion of the Board would interfere with the exercise of independent judgement in carrying out the function of the RMC.

The Chairman of the RMC shall be an Executive Director/COO.

The RMC shall identify and appoint from amongst the employees of the Group a person who will act as the Risk Officer, i.e. the liaison person to expedite the risk management process throughout the Group and to ensure employees throughout the Group are exposed consistently to the concept and practice of risk management.

The terms of office and performance of the Committee and each of its members must be reviewed by the Board of Directors at least once every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

3. Secretary to RMC

The Secretary shall be appointed by the Committee or in her absence, another person authorised by the Chairman of the Committee. The Secretary of the Committee shall be responsible for drawing up the agenda in consultation with the Chairman of the RMC.

4. Meetings

The Committee shall meet at least two (2) times a year. The Chairman of the Committee will highlight any major issues and any items requiring resolution by the Board.

In addition, the Chairman shall convene a meeting of the Committee if requested to do so by any member, the management of internal or external auditors to consider any matters within the scope and responsibilities of the Committee. The RMC is empowered by the Board to invite other personnel from the Group or external consultants for its meetings, where deemed appropriate, to assist the RMC in discharging its responsibilities.

The Chairman of the RMC should engage on a continuous basis with senior management, such as the Chairman of the Board, Group CEO/MD, Group Chief Financial Officer, the Head of Internal Audit and the External Auditors in order to be kept informed of matters affecting the company.

5. Reporting Procedures

The agenda together with relevant explanatory papers and documents shall be circulated to the Committee members prior to each meeting. The Secretary shall be responsible for keeping the minutes of the meeting of the Committee, circulating them to all members of the Board.

6. Meeting Procedures

The Committee shall regulate its own procedures, in particular:

- (a) the calling of meetings;
- (b) the notice to be given to such meetings;
- (c) the voting and proceedings of such meetings;
- (d) the keeping of minutes; and
- (e) the custody, production and inspection of such minutes.

7. Quorum

A quorum shall consist of 2 Committee members.

8. Attendance by Invitation

The Group MD/CEO and Group Chief Financial Officer and the Head of Internal Audit (where applicable) should normally be invited to attend meetings. The Committee may invite any person to be in attendance to assist in its deliberations in any particular meeting.

9. Authority of the RMC

The RMC should:

- Have authority to investigate any activity within its terms of reference;
- Have the resources which are required to perform its duties;
- Have full and unrestricted access to all information, documents and officers of the Company and the Group for the purpose of discharging its functions and responsibilities; and
- Be able to obtain outside legal or other independent professional advice as it considers necessary at the expense of the Company.

10. Duties and Responsibilities

The duties and responsibilities of the Committee shall be:

- To develop, implement and review the risk management framework, risk strategies, risk appetite and objectives of the Group;
- To monitor the management's risk management practices and procedures;
- To develop and maintain the risk management procedures and methodologies of the various departments;

- To review the adequacy and completeness of the Group's risk management process and recommend improvement where deemed necessary;
- To review the Group risk profile and risk management reports which include management's action plan and implementation status from the management;
- To report and monitor the risk management priorities and progress of risk mitigation plan, including oversight of reporting to the Board on an exception basis, where required, and routinely on matters of regular interest of the Board; and
- To undertake any such responsibilities as may be agreed by the Committee and the Board.

11. Review

The terms of reference will be subjected to review from time to time by the Committee and the Group MD/CEO, and any amendments are to be approved by the Board before becoming effective.