

# IREKA CORPORATION BERHAD

Registration No.: 197501004146 (25882-A)

## TERMS OF REFERENCE FOR RISK MANAGEMENT COMMITTEE

### 1. Introduction

- 1.1 This Board Risk Management Committee's Terms of Reference ("TOR") sets out the requirements for the Board of Directors of Ireka Corporation Berhad and its Group of Companies, towards the establishment of a Board Risk Management Committee and the delegation of responsibilities of such committee, as at the date hereof.
- 1.2 Unless stated otherwise, the following applies:
- "ICB" refers to Ireka Corporation Berhad;
  - "the Company" or "the Group" refers to Ireka Corporation Berhad and its Group of Companies;
  - "the Board" or "the Committee" refers to the Board of Directors of ICB and its Group of Companies; and
  - "RMC" refers to the Risk Management Committee.
- 1.3 This TOR sets out the terms of conduct for the Group's RMC with regards to its responsibilities to assist the Board in fulfilling the Board's fiduciary and statutory responsibilities concerning governance, ethics, integrity and risk management based on the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"). In addition, the TOR also aims to adopt related adequate practices and guidance from the following documents:
- The Malaysian Code on Corporate Governance (2021)
  - Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers
  - Guidelines on Adequate Procedures: Pursuant to Subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission Act 2009.

### 2. Purpose

- 2.1 The purpose of the Committee is to assist the Board to fulfill its fiduciary and statutory responsibilities in formulating and overseeing good corporate governance, sound risk management and culture in the Group.

- 2.2 The existence of the Committee does not diminish the Board's ultimate fiduciary and statutory responsibility for decision-making regarding the duties and functions of the Committee.

### **3. Membership Composition**

- 3.1 The committee and the Chairman of the Committee shall be appointed by the Board of ICB and shall comprise of three (3) members with a majority shall be appointed from among the Independent Non-Executive Directors of ICB Board.
- 3.2 The Committee members shall elect a Chairman from amongst themselves.
- 3.3 The Committee members must have knowledge or experience with governance and risk management, including the knowledge on related regulations and relevant best practices or standards.

### **4. Secretary of the Committee**

- 4.1 The Group Company Secretary shall be the Secretary of the Committee.
- 4.2 The Secretary of the Committee shall be present to record the proceedings of the RMC meetings.

### **5. Duties and Responsibilities**

- 5.1 The main responsibility of the Committee, which will be carried out, is to direct and oversee the formulation of a structured risk mechanism in the Group.
- 5.2 The Committee's responsibilities shall include:
- 5.2.1 Governance
- Review and recommend for the Board's approval a set of governance framework and policies with good governance practices across all levels of the Group;
  - Review and monitor the status, availability and implementation of Standard Operating Procedures and governance framework for all levels of the Group's operations;
  - Maintain and keep under review the whistle-blowing mechanism of the Company;

- Ensure proper and timely action are taken in whistle-blowing complaints received and proper procedures are conducted for the closure to all related matters;
- To review any reporting of matters to the shareholders and other statements which are mandated by Bursa Malaysia or other relevant authorities;
- To review the relevant statements for inclusion in the Company's Annual Report or other reports which are mandated by Bursa Malaysia or other relevant authorities; and
- Direct and oversee the Group's ethics and integrity.

#### 5.2.2 Risk Management

- Direct and oversee the Group's risk management framework and policies;
- Report, advice and recommend to the Board, the overall risk appetite level of risk tolerance and strategy on managing business risks;
- Report to the Board, the evaluated key risk areas and the controls in place to mitigate or control those risks;
- Recommend to the Board, the approval of amendments to the Group's risk management framework and strategies.

5.3 The Committee shall execute any other functions as deemed necessary by the Board from time to time.

## 6. Reporting

6.1 The Committee shall report to the Board at regular intervals on the matters it has reviewed, make recommendations when requested or when the Committee considers appropriate. The Group Company Secretary shall circulate the minutes of the meetings of the Committee to all members of the Board.

## 7. Quorum

7.1 The quorum for a meeting of the RMC shall consist of not less than two (2) members. In the absence of a quorum, the meeting shall be adjourned to such other date and at such other time and venue as the Committee may determine.

7.2 In the absence of the Chairman, the Committee members present shall elect a Chairman from amongst themselves to chair the meeting.

## **8. Meeting Procedures**

### **8.1 Meeting Frequency and Attendance**

- Meetings shall be held not less than four (4) times each financial year and at such other times as required.
- The Chairman of the Committee shall call for a meeting with the Committee, if requested by any members of the Committee or by the Chairman of the Board, in addition to the regularly scheduled meetings.
- In addition to the Committee members, other participants who are deemed necessary may attend the Committee meetings upon the invitation of the Committee.
- If any of the Committee members or invited participants have any conflicting interests, the Committee shall defer from the deliberation of the matter and/or require the conflicted Committee member or participant to abstain from deliberation.
- The Chairman of the Committee reserves the right to request those in attendance to leave the meeting if the matters discussed are confidential or may be impaired due to the presence of individuals concerned.

### **8.2 Notice and Agenda**

- Proper and adequate notice shall be issued for any Committee meeting and the Chairman of the Committee shall ensure that a proper agenda is prepared for the meeting.
- The agenda and relevant documents for the Committee meeting must be circulated at least five (5) days before each Committee meeting.

## **9. The Committee's Ethics and Procedures**

9.1 All Committee members shall safeguard the internal communications and treat them as private and confidential, and for the use of the Committee members only.

9.2 The Committee shall work diligently amongst the members of the Board in performing its assessments and adhere to all relevant laws and regulations.

## **10. Review and Updates of Terms of Reference**

10.1 When necessary, the TOR will be reviewed and updated to ensure it remains consistent with the RMC's objectives and responsibilities.

10.2 All amendments to the Terms of Reference shall be reviewed and approved by the Board.