



EURO HOLDINGS BERHAD

[Registration No. 200401008055 (646559-T)]

(Incorporation in Malaysia)

TERMS OF REFERENCE OF RISK MANAGEMENT & ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

1. INTRODUCTION

The Risk Management and Environmental, Social and Governance Committee (“Committee”) is appointed by the Board of Directors of the Company to oversee the risk management and Environmental, Social, and Governance (“ESG”) processes within the Group.

The terms of reference govern the processes of the Committee and outline the procedures and guidelines in relation to its risk and sustainability governance role.

2. COMPOSITION

The Board shall appoint the Committee from among its members and shall consist of not less than three (3) members, all of whom shall be Non-Executive Directors, with a majority of them being Independent Directors.

The Chairperson of the Board shall not be the Chairperson of the Committee. The Chairperson of the Committee shall be a Non-Executive Director appointed by the Board. No Alternate Director shall be appointed as a member of the Committee.

In the event that a member of the Committee (including Chairperson) is vacant with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members. The Board shall, upon the recommendation of the Committee, fill the vacancy within three (3) months of that event.

3. QUORUM

The quorum for the meeting shall be two (2) members.

4. MEETINGS

The Committee shall meet at least four (4) times a year. In addition, the Chairperson shall convene a meeting of the Committee, if requested, to do so by any member(s) or the Management to consider any matter within the scope and responsibilities of the Committee.

The Committee meetings shall be governed by the provisions of the Company’s Constitution. The Committee may establish procedures from time to time to govern its meetings, keep minutes, and administer its activities.



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A member of the Committee may participate in a meeting by means of telephone conference or video conference or any other means of audio visual communications and the member(s) shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

The Key Senior Management and/or Chief Financial Officer (“CFO”) shall attend the Committee meetings. Upon the Committee's invitation, other senior management team members may attend the meeting.

The Chairperson shall submit an annual report to the Board, summarizing the Committee's activities during the year.

5. NOTICE OF MEETINGS

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, no later than seven (7) days before the date of the meeting. Supporting papers shall be sent to Committee members and other attendees as appropriate, at the same time.

6. SECRETARY AND MINUTES

The Company Secretary or his nominee or such other persons authorised by the Board shall act as the Secretary of the Committee. The Company Secretary shall record, prepare and circulate the minutes of the meetings of the Committee and ensure that the minutes are properly kept and produced for inspection if required. The Committee shall report to the Board and the minutes of each meeting shall be tabled to the Board for notation.

7. CIRCULAR RESOLUTION

A resolution in writing signed or approved by letter, telegram, telex, telefax or electronic means by a majority of the Committee members for the time being entitled to receive notice of a meeting of the Committee, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more of the members of the Committee.



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8. DUTIES AND RESPONSIBILITIES

The Board is responsible for risk oversight, management, and sustainability governance within the Group.

The objectives of the framework are to ensure that the risk culture, processes, and sustainability practices throughout the Group are adopted to take advantage of opportunities while managing and monitoring risks and sustainability issues that may adversely affect the Group's achievement of its business objectives.

The Committee is responsible to the Board for:

Risk Management

- Oversee the Risk Management framework and policies of the Group. In doing this, the Committee is to identify for the Board's determination the Group's level of risk tolerance and to actively identify, assess and monitor key business risks of the Group;
- Ensure alignment of Risk Management strategies and culture with the Group's business objectives;
- Ensure that an appropriate risk reporting structure is established to facilitate reporting of risks to Management and the Board;
- Ensure that a comprehensive Risk Management approach is in place to identify risks, communicate risk interrelationships and manage risk profiles across the organisation;
- Ensure that key risks are effectively managed in accordance with the Group's Risk Management strategies and policies;
- Evaluate how the Management is reviewing the principal business risks and assess the appropriateness of the mechanisms in place to identify, prevent and minimise these business risks;
- Ensure an appropriate system is established to identify and report on areas of potential business risk in sufficient time in order for remedial actions to be taken;
- Recommend to the Board its findings and propose actions to be taken to ensure controls are put in place to address these risks. In this context, business risks include all risks (i.e. external/strategic risks and also internal operational, financial, compliance risks) which, due to their nature, can deter the business from achieving its strategic goals; and
- Ensure that there are adequate resources to support the Group's Risk Management function in fulfilling its responsibilities.



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ESG/Sustainability

- To have full responsibility for reviewing the sustainability strategy and performance;
- To ensure smooth coordination and implementation of the Sustainability Strategy. The Sustainability strategy shall include the sustainability pillars i.e. environment, social and social governance (“ESG”);
- To oversee the processes, standards and strategies designed to manage social and environmental risks, covering issues such as safety, health, employment practices, community relations, human rights, etc. covering:
 - * Reviews adoption and effectiveness of all sustainability related policies/standards.
 - * Oversee management processes to ensure compliance with policies/standards.
 - * Review annual periodic reports from senior management.
 - * Review the Sustainability Statement/ Report before publishing.
- To provide oversight and input to management's implementation, operation and assurance of policies and standards to ensure that the Group's strategies and goals pertaining to sustainability are aligned with;
- To monitor the Sustainability Key Performance Indicators of the Group and their implementation;
- To drive engagement on sustainability amongst senior management of the Company, as well as mobilizing the support of the workforce through adoption of a mindset in favour of sustainability; and
- To perform such other functions and exercise such other powers as may be delegated to it from time to time by the Board.



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9. REVIEW OF TERM OF REFERENCE

The Committee shall recommend any changes to its terms of reference in such manner as it deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code of Corporate Governance, Listing Requirements or any other regulatory requirements.

It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the Committee's role.

The Terms of Reference of Risk Management & Environmental, Social and Governance Committee was updated and adopted by the Board of Directors on 24th October 2024.