

PEKAT GROUP BERHAD
[Registration No. 201901011563 (1320891-U)]
(Incorporated in Malaysia)
("PEKAT" or "the Company")

TERMS OF REFERENCE OF THE RISK MANAGEMENT COMMITTEE

1.0 OBJECTIVES

The primary objectives of the Risk Management Committee ("**RMC**") are to support the Board of Directors ("**Board**") in the following areas –

- overseeing the implementation and effectiveness of the Group's risk management framework and related activities, including performing regular reviews to ensure the adequacy and effectiveness of the Group's risk management processes; and
- assessing the effectiveness of the risk management framework in identifying, evaluating and monitoring risks and providing recommendations and guidance on appropriate risk management policies and strategies for the Group.

2.0 COMPOSITION

The RMC shall be appointed by the Board from among its members and shall consist of not fewer than three (3), of which a majority of whom are independent.

*In this respect, the Board adopts the definition of "Independent Director" as defined under the Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**").*

If a member of the RMC ceases to be a member resulting in the number of members being reduced to below three (3), the Board shall within three (3) months of the event, appoint such number of new member(s) as may be required to fill the vacancy.

No alternate director of the Board shall be appointed as a member of the RMC.

3.0 CHAIRMAN

The Chairman of the RMC shall be an Independent Non-Executive Director appointed by the Board from amongst the RMC members.

4.0 SECRETARY(IES)

The Secretary(ies) of the RMC shall be the Company Secretary(ies) of the Company.

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The Secretary(ies) shall be responsible for drawing up the agenda and circulating it prior to each meeting and keeping the minutes of meetings of the RMC.

5.0 MEETINGS

The RMC shall meet at least twice a year and such additional meetings as the Chairman may call at any time at the Chairman's discretion.

Notice calling for a meeting of the RMC shall be given to all its members at least five (5) calendar days before the meeting or at shorter notice as the Committee shall determine.

The Chairman of the RMC shall chair the RMC meetings. In the absence of the Chairman of the RMC, members present shall elect a chairman for the meeting from amongst themselves.

Matters at any meeting shall be decided by a majority vote of the members present, each member having one (1) vote. In the event of equality of votes, the Chairman of the RMC shall have a second or casting vote. However, at meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairman of the RMC will not have the second or casting vote.

The Chairman of Risk Management Working Committee ("**RMWC**") or his representative (who is also a member of the RMWC), shall attend meetings of the RMC as a permanent invitee. Other members of management may attend the meetings upon invitation by the RMC.

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

6.0 MINUTES

Minutes of each meeting shall be kept at the registered office and distributed to each member of the RMC and also to the other members of the Board.

The RMC Chairman shall report on the proceedings of each meeting to the Board. The minutes of the RMC meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

7.0 QUORUM

The quorum shall consist of a majority of the members of RMC.

8.0 CIRCULAR RESOLUTION

A resolution in writing signed by a majority of the RMC members for the time being shall be as valid and effectual as if it had been passed at a meeting of the RMC duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more RMC members. Any such document may be accepted as sufficiently signed by a RMC member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of a RMC member.

9.0 REPORTING

The RMC, through its Chairman, shall report a summary of significant matters to the Board at the next Board meeting after each RMC meeting. When presenting any recommendation to the Board, the RMC will provide such background and supporting information as may be necessary for the Board to make an informed decision.

10.0 AUTHORITY

The Company must ensure that wherever necessary and reasonable for the performance of its duties, the RMC shall, in accordance with a procedure to be determined by the Board and at the expense of the Company:

- (a) have explicit authority to investigate any matter within its terms of reference, the resources to do so, and have full and unrestricted access to information and documents/resources which are required to perform its duties. All employees shall be directed to co-operate as requested by members of the RMC;
- (b) obtain external professional advice or other advice and invite person with relevant experience to attend its meetings, if necessary; and
- (c) have direct communication channels with the senior management on a continuous basis, such as the Managing Director, Chief Executive Officer and Chief Financial Officer of the Group and its operating subsidiaries in order to be kept informed of matters affecting the Group.

11.0 ROLES AND RESPONSIBILITIES

The duties and responsibilities of the RMC are as follows:-

- (a) To review, oversee and recommend the Group's risk management policies, strategies and procedures for the Board's approval;

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- (b) To ensure that the Group has in place at all times an effective risk management framework that identifies, assesses, measures, manages and monitors strategic, operational, financial, and compliance risks;
- (c) To oversee the conduct and results of Group-wide risk assessments, including the identification and reporting of critical risks by RMWC and to review with RMWC the mitigation plans implemented for the identified risks; report to the Board on the appropriateness of existing mitigation plans;
- (d) To review the status of the implementation of management action plans in mitigating significant risks identified; and
- (e) To review the effectiveness of the RMWC structure, risk management processes and support system to identify, assess and monitor key business risks including material sustainability and climate-related risks.

The Committee shall be assisted by the RMWC.

12.0 REVIEW OF RMC

The RMC may review the terms of reference of the RMC as and when deemed necessary to ensure it remains relevant and updated in line with best practices. Any amendments herein must be approved by the Board.

History

Event	Effective Date
Establishment	21 May 2026