



TERM OF REFERENCE AUDIT COMMITTEE

PURPOSE

The primary objective of the Audit Committee ("AC") are:

1. To ensure the openness, integrity and accountability in the Group's activities so as to safeguard the rights and interests of the shareholders;
2. To provide assistance to the Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices;
3. To improve the Group's business efficiency, the quality of accounting and audit function and strengthening of public's confidence in the Group's reported results;
4. To maintain a direct line of communication between the Board and the External and Internal Auditors;
5. To enhance the independence of the external and internal audit functions; and
6. To create a climate of discipline and control, thus reducing the opportunity for fraud.

AUTHORITY

The AC has authority to conduct or authorise to investigate any matter within its terms of reference. It is authorised to:

1. Investigate any matter within its terms of reference.
2. Command the resources which are required to perform its duties.
3. Gain an unrestricted access to any information pertaining to the Group.
4. Channel direct communication with the external auditors and person(s) carrying out the internal audit functions or activities.
5. Obtain external legal or other independent professional advice if it considers necessary.
6. To convene meetings with the external auditors, the internal auditors or both, without the attendance of other directors and employees of the Company, if deemed necessary.

COMPOSITION

1. The members of the Committee shall be appointed by the Board of Directors of E.A. Technique (M) Berhad and shall consist of not less than three (3) members, all of whom must be Non-Executive Directors, with a majority of them being Independent Directors. If membership for any reason falls below three (3) members, the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to fulfill the minimum requirement.
2. No alternate directors shall be appointed to the Committee.
3. At least one (1) member of the Audit Committee:
 - i. must be a member of the Malaysian Institute of Accountants (“MIA”); or
 - ii. if he is not a member of MIA, he must have at least three (3) years of working experience and:
 - he must have passed the examinations specified in Part I of the 1st Schedule in the Accountants Act, 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule in the Accountants Act, 1967; or
 - fulfils such other requirement as prescribed or approved by the Exchange.
4. The Committee Members shall collectively have:
 - i. knowledge of the industries in which the Group operates;
 - ii. the ability to read and understand fundamental financial statements, including a company’s balance sheet, income statement, cash flows statement and key performance indicators; and
 - iii. the ability to read and understand key business and financial risks and related controls and control processes.

MEETINGS

1. Meetings of the Committee shall be held not less than four (4) times during the financial year of the Company.
2. Upon the request of any member of the Committee, the Head of Internal Auditor or the External Auditor, the Chairman of the Committee shall convene a special meeting of the Committee to consider any matter brought up by them.

3. The meetings of the Committee shall normally be attended by the Head of Internal Audit and the Management of the Company shall be represented by the Managing Director and the Chief Financial Officer, or their nominated person(s), at the invitation of the Committee and shall excuse themselves from the meeting when so directed by the Committee.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee include the following:

Financial Statements

- Evaluate the quarterly interim results and annual financial statements of the Company, focusing particularly on:
 - i. Any changes in accounting policies and practices;
 - ii. Significant adjustments arising from the external audit;
 - iii. The going concern assumption;
 - iv. Compliance with accounting standards; and
 - v. Compliance with stock exchange and other legal requirements.
- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements and understand their impact on the financial statements.
- Review with management and the external auditors the results of the audits, including any difficulties encountered

Internal Control

- Review the scope of internal and external auditors' review of internal control over the Group.
- Assess the effectiveness of the Group's internal control system, including information technology security and control.
- Assess the internal process for determining and managing key risks.
- Review internal audit reports and the management's response and ensure that appropriate action is taken in respect of these reports and Committee's resolution.

Internal Audit

- Approve the charters of internal audit function to ensure that it is adequately resourced and has the necessary authority to carry out its work.

- Approve the annual audit plan and all major changes to the plan and review the internal audit activity's performance relative to its plan.
- Review the follow-up actions taken by the management on findings and recommendations by the internal auditors.
- Review the effectiveness of the internal audit function, including conformance with the Institute of Internal Auditors' Code of Ethics and the International Standards for Professional Practice of Internal Auditing ("ISPPA").
- Meet separately with the internal auditors to discuss any matters that the Committee or internal audit believed should be discussed privately, without the attendance of other directors and employees of the Company, if deemed necessary.

External Audit

- Recommend to the Board on the appointment and resignation of the external auditors, the audit fees and other related matters.
- Review the external auditor's proposed audit scope and approach.
- Review the external auditors' management letters and management responses.
- Meet separately with the external auditors to discuss any matters that the Committee or external auditors believed should be discussed privately, without the attendance of other directors and employees of the Company, if deemed necessary.

Compliance

- Review the effectiveness of the system of monitoring compliance with laws and regulation and the result of the management's investigation and follow-up on any instances of noncompliance.
- Review the findings of any examinations by regulatory authorities.
- Obtain regular update from management and Group's legal counsel regarding compliance matters.
- Review any related party transactions and conflict of interest situation that may arise within the Company or the Group including any transaction or business conduct that raises questions on the management integrity.

Reporting Responsibilities

- Report to the Board on a regular basis about committee activities, issue and related recommendation.
- Where an audit committee is of the view that a matter reported by it to the Board of Directors of a listed issuer has not been satisfactorily resolved resulting in a breach of Bursa Malaysia's Listing Requirements, the audit committee must promptly report such matter to Bursa Malaysia.

Other Responsibilities

- Perform other activities related to this Term of Reference and other areas as requested and defined by the Board.
- Institute and oversee special investigation as needed.
- Review and assess with the assistance of the management, External Auditors and legal counsel, the adequacy of the Committee's Term of Reference.
- Confirm annually that all responsibilities as outlined in this charter have been carried out

This Term of Reference is subjected to review by the Board at least once every three years.



TERM OF REFERENCE REMUNERATION COMMITTEE

PURPOSE

The Remuneration Committee ("RC") is responsible for reviewing the remuneration policies; evaluating, deliberating and recommending to the Board compensation and benefits based on market norm and best industry practices. The Remuneration Committee is also responsible for evaluating the Executive Directors' remuneration that is linked to the performance of the Executive Director and the Group. Executive Directors shall abstain from deliberation and voting on decisions with respect to their own remuneration packages.

MEMBERSHIP

The RC shall have at least three (3) members and the quorum for the Committee shall be two (2) members. Remuneration Committee members and the Chairperson shall be appointed by the Board based on the recommendations of the Nomination Committee. The appointment of a committee member terminates when the member ceases to be a director, or as determined by the Board.

In the event of equality of votes, the Chairperson of the Committee shall have a casting vote (except where 2 directors from the quorum). In the absence of the Chairperson of the Committee, the members present shall elect one of their numbers to chair the meeting.

Committee members shall have:

- good knowledge of the Company and its executive directors, and a full understanding of shareholders' concerns; and
- good understanding, enhanced as necessary by appropriate training or access to professional advice, on/of areas of remuneration.

MEETINGS

The Committee shall meet at least once a year. Additional meetings shall be scheduled as considered necessary by the Committee or Chairperson. The Committee may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.

The Committee may consult the Chairperson of the Board regarding proposals relating to the remuneration of executive directors. The Committee may consult other non-executive directors in its evaluation of the Managing Director/Chief Executive Officer. The Committee may request other directors and key executives to participate in Committee meetings, as necessary, to carry out the Committee's responsibilities.

The Committee shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Board and at the cost of the Company. The Committee is authorised by the Board to obtain external legal or other professional advice, as well as information about remuneration practices elsewhere. The Committee may, if it thinks fit, secure the attendance of external advisers with relevant experience and expertise, and shall have the discretion to decide who else other than its own members, shall attend its meetings. No director or executive shall take part in decisions on his/her own remuneration.

The Secretary of the Committee shall be appointed by the Committee from time to time. Committee meeting agendas shall be the responsibility of the Committee Chairperson with input from Committee members. The Chairperson may also ask management to participate in this process. The agenda for each meeting shall be circulated at least 4 days before each meeting to the Committee members and all those who are required to attend the meeting. Written materials including information requested by the Committee from management or external consultants shall be received together with the agenda for the meetings.

The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairperson of the meeting at which the proceedings were held or by the Chairperson of the next succeeding meeting and if so signed, shall

be conclusive evidence without any further proof of the facts thereon stated. The minutes of the Committee meeting shall be available to all Board members.

The Committee, through its Chairperson, shall report to the Board at the next Board of Directors' meeting after each Committee meeting. When presenting any recommendation to the Board, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision. The Committee shall provide such information to the Board as necessary to assist the Board in making a disclosure in the Annual Report in accordance with the Principle 2 of MCCG 2017.

The Chairperson of the Committee shall be available to answer questions about the Committee's work at the AGM of the Company.

SCOPE OF ACTIVITIES

The duties of the Remuneration Committee shall include the following:

1. To establish and recommend the remuneration structure and policy for executive directors and key executives, if applicable, and to review changes to the policy, if and when necessary.
2. To ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration setting forming a significant proportion of the total remuneration package of executive directors.
3. To review and recommend individual remuneration packages for each of the executive directors and, as appropriate, other senior executives, including: the terms of employment or contract of employment/service; benefits, pension or incentive scheme entitlement; any other bonuses, fees and expenses; and any compensation payable on the termination of the service contract by the Company.
4. To review with the Managing Director/Chief Executive Director, his/her goals and objectives and to assess his/her performance against these objectives as well as contribution to the corporate strategy.

5. To review the performance standards for key executives to be used in implementing the Group's compensation programs where appropriate.
6. To consider and approve compensation commitments/severance payments for executive directors and key executives, where appropriate, in the event of early termination of the employment/service contract.
7. To consider other matters as referred to the Committee by the Board.

With the assistance of the Remuneration Committee, the Company has established several systems to determine the remuneration policies of staff, taking into account staff performance, Company's requirements, taking account of external benchmarks. The ultimate goal is to attract, retain and motivate staff to be committed in the success of the Company while realizing personal and professional growth and increasing corporate and shareholder value.



TERM OF REFERENCE NOMINATION COMMITTEE

PURPOSE

The Nomination Committee (“NC”) is responsible for recommending candidates to fill vacancies in the Board based on their qualifications, abilities and potential contribution to our Company.

The Board has been able to discharge its duties professionally and effectively in consideration of the scale and breadth of the Company’s operations. All the Directors continue to uphold the highest governance standards in their conduct and that of the Board. All the Members of the Board are well qualified to hold their positions as Directors of E.A. Technique in view of their respective academic and professional qualifications, and depth of knowledge, skills and experience and their personal qualities.

NEW APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

The NC is responsible for assessing the performance of Directors whose current term of appointment is due to expire, and submitting their recommendation to the Board for decision on the re-appointment of the Director concerned.

RE-APPOINTMENT AND RE-ELECTION OF DIRECTORS

In accordance with the Company’s Articles of Association, at least one third (1/3) or the number nearest to one third (1/3) of Directors, including the Managing Director, shall be subject to retirement by rotation once in every three (3) years. Retiring Directors can offer themselves for re-election. Directors who are appointed by the Board during the year are required to retire and seek for re-election by the shareholders at the next annual general meeting (“AGM”) to be held following their appointments.

Following the enforcement of the Companies Act 2016 (“the Act”) effective 31 January 2017 that repealed the Companies Act, 1965, there is no longer an age limit for a Director. Therefore, a Director of a public company of or over age of seventy (70) is no

longer subject to retirement at the AGM.

At every annual general meeting of E.A. Technique, one-third of Directors for the time being and those appointed during the financial year shall retire from office and be eligible for re-election. All Directors shall retire from office once in three (3) years, and are eligible for re-election. The performance of Directors subject to re-appointment and re-election at the annual general meeting will be assessed by the Nomination Committee, and its recommendations are submitted to the Board for decision-making prior to being tabled for shareholders' approval at the next annual general meeting.

MEMBERSHIP

The NC shall have at least three (3) members, all of whom shall be non-executive directors with the majority being independent directors. The quorum for the Committee shall be two (2) members, of whom one should be an independent director. Nomination Committee members and Chairperson shall be appointed by the Board. The appointment of a Committee member terminates when the member ceases to be a director, or as determined by the Board.

In the event of a tie in votes, the Chairperson of the Committee shall have a casting vote (except when two (2) directors from the quorum). In the absence of the Chairperson of the Committee, members present shall elect one of their numbers to chair the meeting.

The Nomination Committee shall have no executive powers.

TERM OF REFERENCE

The Nomination Committee is entrusted to:

1. Identify and recommend to the Board, candidates for board directorships of E.A. Technique;
2. Recommend to the Board, directors to fill the seats on Board Committees;
3. Evaluate the effectiveness of the Board and Board Committees (including its size and composition) and contributions of each individual director.
4. Ensure an appropriate framework and plan for Board succession for the Company.

MEETINGS

The Committee shall meet at least once a year. Additional meetings shall be scheduled as considered necessary by the Committee or Chairperson. The Committee may

establish procedures from time to time to govern its meetings, keeping of minutes and its administration.

The Committee shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Board and at the cost of the Group. The Committee may request other directors, members of management, counsels, and consultants as applicable to participate in Committee meetings, as necessary, to carry out the Committee's responsibilities. Non-committee directors and members of management in attendance may be required by the Chairperson to leave the meetings of the Committee when so requested.

The Secretary of the Committee shall be appointed by the Committee from time to time. Committee meeting agendas shall be the responsibility of the Committee Chairperson with input from Committee members. The Chairperson may also request management to participate in this process. The agenda for each meeting including supporting information shall be circulated at least seven days before each meeting to the Committee members and all those who are required to attend the meeting.

The Committee shall record minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairperson of the meeting at which the proceedings were held or by the Chairperson of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes of the Committee meeting shall be available to all Board members.

The Committee, through its Chairperson, shall report to the Board at the next Board of Directors' meeting after each Committee meeting. When presenting any recommendation to the Board, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision. The Committee shall provide such information to the Board as necessary to assist the Board in making a disclosure in the Annual Report in accordance to the Principle 2 of ("the Code").

The Chairperson of the Committee shall be available to answer questions about the Committee's work at the AGM of the Company.

SCOPE OF ACTIVITIES

The duties of the Nomination Committee shall include the following: -

1. To determine the criteria for Board membership, including qualities, experience, skills, education and other factors that will best qualify a nominee to serve on the Board.
2. To review annually and recommend to the Board with regards to the structure, size, balance and composition of the Board and Committees including the required mix of skills and experiences, core competencies which non-executive directors should bring to the Board and other qualities to function effectively and efficiently.
3. To consider, evaluate and propose to the Board any new board appointments, whether of executive or non-executive position. In making a recommendation to the Board on the candidate for directorship, the Committee shall have regard to:
 - Size, composition, mix of skills, experience, competencies and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board; and
4. To propose to the Board, the responsibilities of non-executive directors, including membership and Chairperson of Board Committees.
5. To evaluate and recommend the appointment of senior executive positions, including that of the Managing Director or Chief Executive and their duties and the continuation (or not) of their service.
6. To establish and implement process for assessing the effectiveness of the Board as a whole, the Committee of the Board and for assessing the contribution of each director.
7. To evaluate annually the effectiveness of:
 - each director's ability to contribute to the effectiveness the Board and the relevant Board Committees and to provide the necessary feedback to the directors in respect of their performances;
 - Committee of the Board; and
 - the Board as a whole.

8. To recommend to the Board:

- the re-election of directors who are retiring by rotation;
- the termination of membership of individual directors in accordance with policy, for cause or other appropriate reasons.

9. To establish appropriate succession plans at Board level, and if appropriate, senior management level.

10. To provide adequate training for new directors with respect to the business, structure and management of the Group as well as the expectations of the Board with regards to their contributions to the Board and Company.

11. To consider other matters as referred to the Committee by the Board.