

**TERMS OF REFERENCE OF AUDIT AND RISK MANAGEMENT COMMITTEE
("COMMITTEE")**

1. Membership and Composition

The Committee shall be appointed by the Board from amongst the Directors excluding Alternate Directors, and shall consist of not less than three (3) members, all of whom are Non-Executive Directors, with a majority of them being Independent Directors. The Chairman of the Committee shall be an Independent Director appointed by the members of the Committee. In the event if any vacancy in the Committee, the Board of Directors ("the Board") must within three (3) months, appoint such number of new members as may be required to make up the minimum of three (3) members.

The Board shall at all times ensure that at least one member of the Committee shall be:

- (i) a member of the Malaysian Institute of Accountants ("MIA"); or
- (ii) if the person is not a member of MIA, the person must have at least three years of working experience and:
 - the person must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - the person must be a member of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

A former partner of the Company's existing auditing firm should be prohibited from acting as a member of the Committee for a period of three years from the date of his/her ceasing

- (i) to be a partner of the firm; or
- (ii) to have any financial interest in the firm, whichever is the later.

2. Authority

The Committee is granted the authority to investigate any activity of the Group and the Company within its terms of reference, to obtain the resources which it needs, and to have full and unrestricted access to information and all employees are directed to co-operate with any request made by the Committee.

The Committee shall have direct communication channels with the internal auditors and external auditors and with senior management of the Group and shall be able to convene meetings with the internal auditors and external auditors whenever deemed necessary.

The Committee is empowered to obtain independent professional or other advice it considers necessary to assist the Committee in fulfilling its responsibility.

Where the Committee is of the view that a matter reported to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market, the Committee shall promptly report such matter to Bursa Securities.

3. Responsibility

The Committee is to assist the Board in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Group and the Company and the sufficiency of auditing relating thereto. It is to be the Board's principal agent in assuring the independence of the Company's external auditors, the integrity of the management and the adequacy of disclosures to shareholders.

The Committee shall also assist to oversee the effective functioning of the risk management framework and to provide oversight, direction and counsel to the Risk Management Group.

**TERMS OF REFERENCE OF AUDIT AND RISK MANAGEMENT COMMITTEE
("COMMITTEE") (CONTINUED...)**

4. Duties and Functions

The duties and functions of the Committee are:-

- (i) review with External Auditor, the audit scope and plan, evaluation of the system of internal controls and audit report;
- (ii) review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- (iii) review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- (iv) review the external and internal audit reports to ensure appropriate and prompt remedial action is taken by management on major deficiencies in controls or procedures that are identified;
- (v) recommend to the Board on the appointment and the annual re-appointment of external auditors, their audit fees and any question of resignation or dismissal;
- (vi) review the performance of internal auditors and consider the appointment or termination of internal auditors and their remuneration;
- (vii) review the assistance given by the Group's officers to the auditors, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information;
- (viii) review the quarterly results and year end financial statements of the Group and the Company, prior to the approval by the Board, whilst ensuring they are prepared in a timely and accurate manner, focusing particularly on :
 - changes in or implementation of major accounting policies;
 - significant judgements made by management, adjustments and unusual events and how these matters are addressed;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements;
- (ix) review any related party transaction and conflict of interest situation that may arise within the Group or the Company including any transaction, procedure or course of conduct that raises questions of management integrity;
- (x) review procedures in place to ensure that the Group is in compliance with the Companies Act 2016, Listing Requirements of Bursa Securities for the ACE Market and other legislative and reporting requirements;
- (xi) review the external auditors' management letter and management's response;

**TERMS OF REFERENCE OF AUDIT AND RISK MANAGEMENT COMMITTEE
("COMMITTEE") (CONTINUED...)**

4. Duties and Functions (Continued...)

The duties and functions of the Committee are (Continued...):-

- (xii) consider the major findings of internal investigations and management's response;
- (xiii) carry out other responsibilities, functions or arrangements as may defined by the Board of Directors and/or under the Listing Requirements of Bursa Securities for the ACE Market from time to time;
- (xiv) perform a peer, self and Audit and Risk Management Committee assessment annually to assess its effectiveness in carrying out the duties
- (xv) verify the allocation of options pursuant to a Share Issuance Scheme complies with the allocation criteria;
- (xvi) review disclosures statements/report relating to management of sustainability matters of the Company in Annual Report;
- (xvii) to provide assurance to the Board of Directors that a sound risk management and internal control system are in place;
- (xviii) to oversee and recommend sound risk management frame work, policies and procedures of the Group which addresses the business, operational, financial, social, economic, environmental and compliance risks;
- (xix) to review the Group and its subsidiaries' risk profiles and exposures and evaluate the measures taken to mitigate the business risks;
- (xx) to monitor that management maintains sound risk management processes which identifies, assesses and manages the Group's business risks;
- (xxi) to review business continuity and contingency plans to ensure the Group's ability to operate as a going concern and minimize losses in the event of severe business disruption; and
- (xxii) to ensure resources and processes are in place to enable the organisation to achieve its sustainability commitments and targets.

**TERMS OF REFERENCE OF AUDIT AND RISK MANAGEMENT COMMITTEE
("COMMITTEE") (CONTINUED...)**

5. Meetings

The Committee is to meet at least four (4) times a year and as many times as the Committee deems necessary with due notice of issues to be discussed sent to all members. If required, other directors, members of senior management, internal and external auditors and other professionals may be invited by the Committee to attend the Committee Meeting to assist in its deliberations.

The Committee shall regulate the manner of proceedings of its meetings, having regard to normal convention on such matter.

At least twice a year, the Committee shall meet with the external auditors without the presence of any executive directors or senior management. The internal and external auditors may also request for a meeting when the need arises.

The meeting of Committee may be conducted by means of telephone conferencing or other methods of simultaneous communications by electronic or telegraphic means and the minutes of such meeting signed by the Chairman shall be conclusive of any meeting conducted as foresaid.

A resolution in writing signed by all the Committee members shall be as effective for all purposes as a resolution passed at a meeting of the Committee duly convened, held and constituted. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.

6. Quorum and Reporting Procedures

In order to form a quorum for the meeting, the majority of the members present must be Independent Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

The Company Secretary shall be appointed Secretary of the Committee (the "Secretary"). The Secretary, in conjunction with the Chairman, shall draw up an agenda, which shall be normally circulated together with the relevant support papers, at least one week prior to each meeting to members of the Committee unless there are exceptional circumstances which may require a meeting at a short notice. The minutes shall be circulated to members of the Board.

The Chairman shall be entitled, where deemed appropriate, to invite any person(s) to meetings of the Committee.

7. Review of Terms of Reference

The Terms of Reference of the Committee shall be reviewed and amended as necessary to determine its adequacy in line with the current circumstances, the Company's policies and applicable rules and regulations in the Listing Requirements of Bursa Securities for the ACE Market. Board approval is required for any changes in the Terms of Reference.

This Terms of Reference of Committee has been updated and adopted by the Board on 23 May 2022.