

Audit & Risk Management Committee Terms of Reference	
Composition	<p>(a) The Committee must be composed of not fewer than 3 members;</p> <p>(b) All the Committee members must be non-executive directors, with a majority of them being independent directors;</p> <p>(c) At least one member of the Committee -</p> <p style="padding-left: 20px;">(i) must be member of the Malaysian Institute of Accountants (MIA); or</p> <p style="padding-left: 20px;">(ii) if he is not a member of MIA, he must have at least 3 years of working experience and:-</p> <p style="padding-left: 40px;">(aa) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or</p> <p style="padding-left: 40px;">(bb) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or</p> <p style="padding-left: 20px;">(iii) fulfils such other requirements as prescribed or approved by the Exchange.</p> <p>(d) Any former key audit partner must have observed a cooling-off period of at least 3 years before being eligible for appointment as a Committee member.</p> <p>(e) No alternate director shall be appointed as a member of the Committee.</p> <p>(f) In the event of any vacancy in the Committee resulting in the non-compliance of the Main Market Listing Requirements, the Company must fill the vacancy within 3 months.</p>
Chairman	The Chairman of the Committee shall be an Independent Non-Executive Director.
Duties and Responsibilities	<p><u>Financial Reporting</u></p> <p>(a) To review with the external auditors-</p> <p style="padding-left: 20px;">(i) the audit plan;</p> <p style="padding-left: 20px;">(ii) its evaluation of the system of internal controls;</p> <p style="padding-left: 20px;">(iii) its audit report;</p> <p style="padding-left: 20px;">(iv) the assistance given by the employees and Company's officers to the external auditors;</p> <p style="padding-left: 20px;">(v) the external auditor's management letters and management's response; and</p> <p style="padding-left: 20px;">(vi) non-audit services undertaken.</p>

	<p>(b) the quarterly results and year-end financial statements, before the approval by the Board of Directors, focusing particularly on:-</p> <ul style="list-style-type: none">(i) changes in or implementation of major accounting policy changes;(ii) significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed; and(iii) compliance with accounting standards and other legal requirements. <p>(c) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary).</p> <p><u>External Auditors</u></p> <ol style="list-style-type: none">1. To consider and recommend the nomination, appointment and re-appointment of external auditors;2. To review any letter of resignation from the Company's external auditors;3. To report to the Board of Directors whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;4. To annually assess the suitability, objectivity and independence of external auditors which shall include, among others, the following:<ul style="list-style-type: none">• work quality, sufficiency of resources and communication with the Management;• non-audit services;• to obtain written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.5. To approve the engagements of the external auditors to provide non-audit services. <p><u>Internal Auditors</u></p> <ol style="list-style-type: none">1. To review the audit plans and areas of audit emphasis;2. To review the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;3. To review the internal audit programmes, processes, the results of the internal audit programmes, processes or investigations, undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;4. To consider major findings of internal investigations and management's response;5. To review any appraisal or assessment of the performance of members of the internal audit function;
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	<ol style="list-style-type: none">6. To approve any appointment or termination of internal audit staff members; and7. To note resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning. <p><u>Risk Management</u></p> <ol style="list-style-type: none">1. To review and consider the suitability of the system in identifying and reporting on areas of potential business risks;2. Define and recommend principles, frameworks and processes for managing risks within the company with management, including risk parameters, risk appetites, risk profiles, risk treatment options, risk action plans and key risk indicators, prior to submission to the Board, to ensure that they are managed within the levels of tolerance and appetite as approved by the Board;3. To provide guidance and advice to management on appropriateness of risk treatment options selected and risk action plans development;4. To oversee that the risk management plan is widely disseminated and integrated in day-to-day activities of the company and to keep under review the status and application of risk management responsibilities and accountabilities;5. To review any significant risk that could affect the Company and assess the action taken in managing such risks together with other Board Committees, the management, external auditors and other relevant divisions, if necessary;6. To review and keep updated of any new or emerging trends or threats in relation to finance, operations, regulatory compliance, reputation, cybersecurity and sustainability so as to ensure that the management continues to mitigate and put in place risk action plans to manage the risks within the company; and7. To review such other matters to risk as directed by the Board from time to time. <p><u>Others</u></p> <p>To review and report the same to the Board of Directors on any related party transactions, recurrent related party transactions, Statements on Risk Management and Internal Control (SORMIC), and conflict of interest situations that arose, persist or may arise within the Company or Group including any transactions, procedures or courses of conduct that raises questions of management integrity and the measures taken to resolve, eliminate or mitigate such conflicts; and to assist and report on such other matters / functions as maybe agreed to by the Committee and the Board of Directors from time to time.</p>
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KYM Holdings Bhd. (Reg No.: 198201004556) (84303-A)

Meetings	<p>The Chairman shall convene a meeting of the Committee if requested to do so by any member, the management or the internal or external auditors to consider any matter within the scope and responsibilities of the Committee. At least four (4) meetings shall be convened in a year. The meetings of the Committee may be conducted by means of telephone, conference, video conference or any other form of audio or audio-visual instantaneous communication and the participation in the meeting via the abovementioned communication channels shall constitute presence in person at such meeting.</p> <p>The Head of Finance Department will normally be invited to attend all meetings of the Committee. The internal auditor and external auditors are invited to attend when appropriate. However, the Committee may invite any person to be in attendance to assist it in its deliberation.</p> <p>Notice of meetings is sent to all members of the Committee and any other persons who may be required to attend.</p>
Communication to the Board	<p>Meeting materials shall be circulated at least 5 business days or within such other reasonable period in advance of the Committee meeting.</p> <p>Upon conclusion of the Committee meeting, the minutes will be circulated in a timely manner.</p> <p>The approved minutes of the Committee Meeting shall be tabled to the Board for notation and recorded by the Secretary in the Committee's Minutes' Book.</p> <p>The Chairman shall report to the Board after each Committee Meeting on significant issues or decisions made within its purview, where applicable.</p> <p>The Committee may from time to time submit to the Board its recommendation on matters within its purview, for the Board's decision.</p>
Written Resolution	<p>A resolution in writing, signed by all the Committee members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.</p> <p>All such resolutions shall be described as "Audit & Risk Management Committee Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by the Secretary in the Committee's Minutes' Book.</p> <p>Any such resolution may consist of several documents in the like form, each signed by 1 or more Committee members. The expressions "in writing" or "signed" include approval by legible confirmed transmission by facsimile or any technology or other forms of electronic transmission.</p>

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Secretary	The Company Secretary is the secretary of the Committee and as a reporting procedure, the minutes are circulated to all members of the Board.
Quorum	The quorum for any meeting is two (2) members, and the majority of members present must be independent directors.
Evaluation	The term of office, performance and effectiveness of the Committee as a whole and each of its members shall be reviewed annually to determine whether the Committee and its members have carried out their duties in accordance with the Terms of Reference.
Review of Terms of Reference	<ol style="list-style-type: none">1. The Committee shall recommend any changes to the Terms of Reference periodically in such manner as the Committee deems appropriate to the Board for approval.2. The Terms of Reference shall be assessed, reviewed and updated where necessary in accordance with changes made to the Listing Requirements, Companies Act 2016, Capital Market and Services Act 2007, or any other regulatory requirements.3. All amendments to the Terms of Reference must be approved by the Board.

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