

**AUDIT AND RISK MANAGEMENT COMMITTEE
TERMS OF REFERENCE**

1. Objectives

The principal objective of the Audit and Risk Management Committee (“ARMC”) is to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the Group. In addition, the Committee shall:-

- a. Evaluate the quality of the audit conducted by the internal and external auditors;
- b. Provide assurance that the financial information presented by management is relevant, reliably and timely;
- c. Oversee compliance with laws and regulations and observance of a proper code of conduct;
- d. Determine the adequacy of the Group’s control environment;
- e. Assess the suitability, objectivity and independence of the external auditor;
- f. Oversee the risk management activities of the Group and to assist the Board in fulfilling its responsibility for identifying significant risks and ensuring the implementation of appropriate systems to manage the overall risk exposure of the Group; and
- g. Oversee the group’s anti-bribery and corruption programme.

2. Membership:-

- a) The ARMC shall be appointed by the Board of Directors from amongst its members and shall at all times consist of not less than three (3) directors, exclusively Non-Executive Directors of whom majority shall be the Independent Directors and at least one of them:-
 - (i) must be a member of the Malaysian Institute of Accountants (“MIA”); or
 - (ii) if he is not a member of the MIA, he must have at least three (3) years’ working experience and:-
 - (a) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - (b) 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
 - (iii) fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad (“Bursa Malaysia”).
- b) The members of the ARMC shall elect a chairman among their number who shall be an Independent Director. No alternate director shall be appointed as a member of the ARMC. The chairman of the ARMC must not be the Chairman of the Board.
- c) A member who wishes to retire or resign from the ARMC shall notify the Board in writing.
- d) If a member of the ARMC, for whatsoever reason ceases to be a member with a result that the number of members is reduced below three (3), the Board of Directors shall, within three (3) months of the events (or such other time frame as set out in the Bursa Securities ACE Market Listing Requirements from time to time), appoints such number of new members as may be required to meet the minimum required number of members.
- e) The office of a member shall become vacant upon the member’s resignation/ retirement/ removal or disqualification as a Director of the Company.

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- f) A former key audit partner¹ shall observe a cooling-off period of at least three (3) years before being appointed as a member of the Committee or such other period stipulated under the By-Laws (on Professional Ethics, Conduct and Practice) by the Malaysian Institute of Accountants, whichever is longer.

¹ The engagement partner and the partner responsible for the engagement quality control review as well as other audit partners, if any, on the engagement team who make decisions or judgments on significant matters with respect to the audit of the Company's financial statements on which the auditor will express an opinion.

3. Authority:-

- a) The ARMC is authorized by the Board of Directors shall have the authority to investigate any matter within its terms of reference and shall have unlimited access to both the internal and external auditors, as well as the employees of the Group. All employees are directed to co-operate with any request made by the Committee.
- b) The Committee shall have unlimited access to all the information and documents relevant to its activities, to the internal and external auditors, and to senior management of the Group.
- c) The Committee shall be able to convene meetings with the external/internal auditors, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.
- d) The ARMC shall have the power to establish Sub-Audit Committee(s) to carry out certain investigation on behalf of the Committee in such manner, as the Committee deem fit and necessary.
- e) To obtain professional advice externally at the Company's expense on any matter within its terms of reference as it deems necessary or appropriate.
- f) Request any employee/ Executive Management to attend meetings of the Committee for discussion as and when required.

4. Meetings and Proceedings:-

- a) The Committee is at liberty to determine the frequency of the meetings as least four times annually. A meeting with external auditors shall be held at least twice a year without the presence of Executive Directors and key management.
- b) The quorum shall consist of two (2) members, where the majority of members present must be Independent Directors.
- c) The external auditors may be invited to attend the meetings. The Committee may invite any person to be in attendance to assist in its deliberations. The other directors and employees may attend any particular AC meeting only at the ARMC's invitation, specific to the relevant agenda and/or meeting.

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- d) The notice of each meeting of the ARMC, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the ARMC at least seven (7) days prior to the date of the meeting.
- e) The meetings of ARMC may be conducted by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means and the minutes of such a meeting signed by the Chairman shall be conclusive of any meeting conducted as foresaid.
- f) An ARMC's Circular Resolution in writing signed or approved by letter, telex or facsimile by a majority of members (of whom at least two must be an independent Director) shall be effective for all purposes as if it were a resolution passed at a meeting of the Committee duly convened, held and constituted. Any such resolution may consist of a single document or several documents all in like form each signed by one or more members.
- g) The Company Secretary shall be the Secretary of the Committee and shall be responsible for drawing up the agenda with concurrence of the chairperson and circulating it, supporting by explanatory documentation to committee members prior to each meeting.

5. Duties

The duties of the ARMC include the following:-

- a) to consider the appointment or re-appointment of external auditors, the audit fee and matter relating to the resignation or dismissal of auditors, if any;
- b) to review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to management and the management's response;
- c) to review the quarterly and annual financial statements before submission to the Board of Directors for approval., focusing particularly on:-
 - Changes in accounting policies and practices;
 - Significant and unusual events;
 - Significant adjustments resulting from the audit
 - The going concern assumption;
 - Compliance with accounting standard and other legal requirements
- d) to discuss problems and reservations arising from the interim and final audits, and any matter the external/internal auditors may wish to discuss.
- e) to do the followings where an internal audit function exists;
 - Review the budget, adequacy of the scope, function, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - Review of internal audit programme and results of the internal audit process and where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;
 - Review any appraisal or assessment of the performance of members of the internal audit function;

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- Approve any appointment or termination of senior staff members of the internal audit function;
 - Review the resignation of internal audit staff members and provide the staff member the opportunity to submit his reasons for resigning; and
 - To consider major findings of internal investigations and management's response.
- f) to review the adequacy and effectiveness of the risk management systems, internal controls, anti-bribery and corruption programme, and governance processes implemented in the Company and/or the Group.
- g) to review any related party transaction and conflict of interest situation that arose, persist or may arise within the listed issuer or group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts.
- h) to assess the suitability and independence of the external auditor in pursuant to the Policy for Assessment of the Suitability and Independence of External Auditors, amongst others:-
- The competence, audit quality and resource capacity of the external auditor in relation to the audit;
 - Nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and
 - Obtaining 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.
- i) to be fully informed about significant matters related to the Company's audit and its financial statements and addresses these matters;
- j) to consider communicating ARMC's concerns on matters that may have effect on the financial or audit of the Company are communicated to the external auditors;
- k) to verify the allocation of Employees' Share Option Scheme ("ESOS") in compliance with the criteria as stipulated in the bye-laws of ESOS of the Company (if any);
- l) to perform such other duties if any as maybe agreed by the Committee and the Board or as per the directive of the governmental and/or regulatory authorities; and
- m) advises the Board on areas of high risk and the adequacy of compliance and control procedures throughout the organization.

6. Reporting

The ARMC is authorized to regulate its own procedures and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceeding thereat, the keeping of minutes and the custody, production and inspection of such meetings.

The Company Secretary shall attend all meetings and minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance. The minutes shall be confirmed by the Chairman of the meeting and circulated to all members of the ARMC. Subsequently, the said minutes shall be tabled to the Board for notation.

AGRICORE CS HOLDINGS BERHAD
Registration No. 202301018008 (1511930-P)
(Incorporated in Malaysia)

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7. General

Words importing the masculine gender shall be deemed and taken to include the feminine.

The ARMC's terms of reference may from time to time be amended as required, subject to the approval of the Board.

This Term of Reference of ARMC has been adopted by the Board on 10 August 2023.