MYDCD BERHAD

Registration No.: 202501030429 (1631841-A)

TERMS OF REFERENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

1. COMPOSITION

i. The composition of the Audit and Risk Management Committee ("**ARMC**" or "**Committee**") of MyDCD Berhad ("**Company**") shall be appointed by the Board of Directors of the Company ("**Board**") from among its members and shall comprise no fewer than three (3) members, whereby all members must be Non-Executive Directors, are financially literate and are able to understand matters under the purview of the Committee including the financial reporting process, with a majority of them being Independent Non-Executive Directors, and at least one (1) member of the Committee:

   a. must be a member of the Malaysian Institute of Accountants; or

   b. if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:

      - he must have passed the examinations specified in Part I of the 1st Schedule of 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 of the Accountants Act 1967; or

   c. fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("**Bursa Securities**" or "**Exchange**").

ii. Alternate Director shall not be appointed as a member of the Committee.

iii. The Committee shall elect a chairperson from among its members ("**Chairperson**") who shall be an Independent Non-Executive Director.

iv. In the event the elected Chairperson is not able to attend a meeting, the remaining members present shall elect one of themselves as chairperson of the meeting. The elected chairperson shall be an Independent Non-Executive Director.

v. The former partner of the external audit firm of the Company, if any, shall observe a cooling-off period of at least three (3) years before being eligible to be appointed as a member of the Committee.

vi. In the event of any vacancy in an ARMC member resulting in non-compliance with paragraph 1(i) above, the Board shall fill the vacancy within three (3) months.

vii. The Nomination and Remuneration Committee shall conduct an annual review of the tenure and performance of the ARMC and its members to assess whether they have fulfilled their obligations as outlined in their Terms of Reference.

2. MEETINGS

i. Meetings

a. Meetings shall be held no fewer than four (4) times a year. However, additional meetings may be called at any time depending on the scope of activities of the Committee. In the event, that any issues requiring the Committee's decision arise between meetings, such issues may be resolved through written resolutions of the Committee. Such written resolution shall be deemed valid and effectual if it is signed or approved by letter, facsimile or any electronic means by a majority of the members of the Committee pursuant to the Constitution of the Company.

b. Subject to the notice and quorum requirements as provided in the Terms of Reference, meeting of the Committee may be held and conducted through telephone or any communication equipment which allows all persons participating in the meeting to hear and speak with each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.

c. Other Board members, key senior management, internal and external auditors may be invited to attend meetings.

d. For the Committee's meetings except in the case of emergency, reasonable notice shall be given to all the members of the Committee.

e. Upon the request of the external auditors, the Chairperson of the ARMC shall convene a meeting of the ARMC to consider any matter the external auditors believe should be brought to the attention of the ARMC, the Board or the shareholders.

ii. Quorum

The quorum for the meeting is two (2) members of the Committee, and a majority of members present must be Independent and Non-Executive Directors.

iii. Secretary of the Committee

The Company Secretary(ies) shall be the secretary of the Committee. The Company Secretary(ies) shall issue and circulate the notice and minutes of the Committee to all members of the Committee.

iv. Minutes of the Committee Meeting

Every meeting of the Committee shall be minuted either by the Company Secretary(ies) or any other person approved by the Committee and such minutes shall be confirmed by the Committee at the next succeeding Committee meeting.

The Minutes of each meeting signed by the chairperson of that meeting or by the chairperson of the next succeeding meeting shall be evidence of the proceedings that the meeting was duly convened and held. Minutes of each meeting shall be tabled to the Board for notation and all the minutes shall be kept at the Registered Office of the Company.

The Chairperson shall update the Board on the activities undertaken by the Committee at each Board meeting.

3. FUNCTIONS OF THE COMMITTEE

The functions of the Committee are as follows:

External Auditors

i. To consider any matters concerning the appointment and re-appointment, the audit and non-audit fees and any questions of resignation or dismissal of external auditors.

ii. To ensure and annually assess the suitability, objectivity and independence of external auditors, taking into consideration:

   a. the adequacy of the experience, competence, audit quality and resource capacity of the external auditor in relation to the audit;

   b. the persons assigned to the audit;

   c. the accounting firm's audit engagements;

   d. the size and complexity of the Company being audited;

   e. the number and experience of supervisory and professional staff assigned to the particular audit;

   f. the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and

   g. 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.

iii. To appropriately communicate the Committee's insights, views and concerns about relevant transactions and events as well as concerns on matters that may have an effect on the financials or audit of the Company to the external auditors.

iv. To ensure coordination between the external auditors and the internal auditors.

v. To review with the external auditors:

   a. their audit plan, scope and nature of the audit of the Company and its subsidiaries ("**Group**");

b. their evaluation and findings of the system of risk management and internal controls;

c. their audit reports on financial statements;

d. the management letter and management's response with regard to problems and reservations arising from their audits;

e. the coordination of audits where more than one audit firm is involved; and

f. any other matters that the external auditors may wish to discuss (in the absence of management where necessary).

vi. To review the Annual Transparency Report ("**ATR**") of the external auditors, if applicable, or to engage with audit firms (for firms that are not required to issue ATR) on matters in relation to their governance and leadership structure as well as measures undertaken by the audit firm to upload the audit quality and manage risks.

vii. To review the assistance given by the management and employees of the Group to the external auditors.

viii. To review any letter of resignation from the external auditors of the Company.

ix. To review whether there is a reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment.

x. To recommend the nomination of a person or persons as external auditors of the Company.

Review of Statements

To ensure that the external auditors review a statement made by the Board with regards to the state of risk management and internal control of the Company and report the results thereof to the Board.

Removal or resignation of external auditors

Where external auditors are removed from office or give notice to the Company of their desire to resign as external auditors of the Company, the Company must forward to the Exchange a copy of any written representations or statement of circumstances connected with the resignation made by the external auditors at the same time as copies of such representations or statement of circumstances are submitted to the Companies Commission of Malaysia pursuant to Section 284 of the Companies Act 2016.

Right to request for a meeting

To ensure that upon request of the external auditors, the Chairperson must convene a meeting of the Committee to consider any matter that the external auditors believe should be brought to the attention of the Board or the shareholders.

Internal Audit Function

i. To review and assess the adequacy of the scope, functions, competency, experience and resources of the internal audit functions of which the internal auditors should report directly to the Committee.

ii. To ensure that the internal auditors are independent and objective, and have the relevant qualifications and be responsible for assuring the Committee that the internal controls are operating effectively.

iii. To receive reports directly from the persons responsible for the internal audit.

iv. To appropriately communicate the Committee's insights, views and concerns about relevant transactions and events as well as concerns on matters that may affect the financials or audit of the Company to the internal auditors.

v. To ensure coordination between the internal auditors and the external auditors.

vi. To review the internal audit plan, processes, the results of internal audit assessments or investigations undertaken and whether or not appropriate action is taken on the recommendations made.

vii. To review the adequacy and effectiveness of the Group's internal control systems, anti-bribery and corruption and whistle-blowing as evaluated, identified and reported by the Management, internal or external auditors as well as to review whether actions taken to ratify the same are appropriate or timely.

viii. To review whether the internal audit function is carried out in accordance with a recognised framework.

Committee Report

i. To ensure that a Committee Report is prepared at the end of each financial year that complies with subparagraphs (ii) and (iii) below.

ii. To ensure that the Committee Report is set out in the Annual Report of the Company.

iii. To ensure that the Committee Report includes the following:

   a. the composition of the Committee, including the name, designation (indicating the Chairperson) and directorship of the members (indicating whether the Directors are independent or otherwise);

   b. the number of Committee meetings held during the financial year and details of attendance of each Committee member;

   c. a summary of the work of the Committee in the discharge of its functions and duties for that financial year of the Company and how it has met its responsibilities;

   d. a summary of the work of the internal audit function; and

e. a summary of any conflict of interest or potential conflict of interest situation (exclude a related party transaction) and the measures taken to resolve, eliminate or mitigate such conflicts.

Financial Reporting

i. To ensure that the Committee is fully informed about significant matters related to the Company's audit and its financial statements and addresses these matters.

ii. To review the quarterly results and year-end financial statements of the Group before the approval by the Board, focusing particularly on:

a. any changes in or implementation of major accounting policy changes;

b. significant matters highlighted including financial reporting issues, a significant judgement made by management, significant and unusual events or transactions and, how these matters are addressed; and

c. compliance with accounting standards and other legal and regulatory requirements.

Risk Management

i. Assisting the Board to effectively discharge its risk oversight responsibilities by monitoring and overseeing the Group's risk management and processes in identifying, evaluating, monitoring and managing significant risks within the Group.

ii. Reviewing the risk profiles in respective business units and the Group.

iii. Identifying the key risks faced by the Group and respective business units and major changes and the management action plans to manage the risks.

iv. Reviewing and assessing the adequacy and effectiveness of the systems of internal control, anti-bribery and corruption, whistle blowing, governance process and accounting control procedures and appropriate systems in place to manage and mitigate risks.

v. Reviewing the Group's risk managing policy and implementation of the risk management framework.

Sustainability

To perform the following in relation to sustainability:

i. oversee and review the development and implementation of the Company's sustainability vision, strategy, framework, initiatives, policies and practices, and explore ways to incorporate them into the Company's overall operations and business goals;

ii. regularly review the sustainability framework of the Company which is grounded in the Environmental, Social and Governance (ESG) pillars, to ensure its alignment with evolving local and global sustainability trends and developments, while also confirming its feasibility within the Company's existing resources and capabilities; and

iii. to assist the Board with regard to the disclosures in the Sustainability Statement to be included in the Company's Annual Report.

Related Party Transactions

To perform the following in relation to related party transactions:

i. ensure that the Board establishes a comprehensive framework/policy to identify, evaluate, approve and report related party transactions;

ii. to assess the financial risk and matters in relation to related party transactions and conflict of interest situations that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

iii. as appropriate, review with the internal auditors to establish whether recurring related party transactions have been carried out in accordance with the mandate approved by shareholders and on commercial terms no more favourable than those available to non-related third parties; and

iv. review non-recurring corporate proposals involving related parties to ensure that they are in the best interest of the Group and not detrimental to the interest of minority shareholders.

Conflict of Interest Situations

i. To assess all the disclosed conflicts by the Directors and key senior management, to evaluate their nature, significance and potential impact on the Group. During the process of evaluating and handling the conflict of interest, the Committee has the authority to seek independent advice or opinions to aid in their evaluation.

ii. To review the adequacy of the arrangements within the Group when dealing with any conflict of interest.

iii. To review and recommend appropriate measures, such as reassignment, termination or other actions if the disclosed conflict poses a significant risk to the Group.

Reporting of breaches to the Exchange

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

Compliance and Other Matters

i. To verify the allocation of options under a share issuance scheme or the allocation of shares according to any incentive plan for employees of the Group at the end of each financial year to comply with the criteria which are disclosed to the employees.

ii. To review and conduct an annual performance evaluation of the internal and external auditors, in respect of each financial year under review, to monitor the performance, suitability, objectivity and independence of the internal and external auditors.

iii. To prepare the Committee Report at the end of the financial year for inclusion in the Annual Report of the Company pursuant to the Listing Requirements of Bursa Securities.

iv. To report to the Board any suspected frauds or irregularities, serious internal control deficiencies or suspected infringement of laws, rules and regulations which come to its attention and are of sufficient importance to warrant the attention of the Board.

v. To continuously keep abreast with developments in the profession, relevant industry and regulations to ensure they are able to perform their role effectively including undertaking root-cause analysis to provide strategic advice and suggest meaningful business improvements.

vi. To carry out such other functions or assignments as may be delegated by the Board from time to time.

4. RIGHTS OF THE COMMITTEE

The Company must ensure that wherever necessary and reasonable for the performance of its duties, the Committee must, in accordance with a procedure to be determined by the Board and at the cost of the Company –

i. have authority to investigate any matter within its Terms of Reference;

ii. have the resources which are required to perform their duties;

iii. have full and unrestricted access to any information pertaining to the Company;

iv. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

v. be able to obtain independent professional or other advice; and

vi. be able to convene meetings with the external auditors, the person(s) carrying out the internal audit function or activity or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

5. ADVISER

The Committee is authorised by the Board to seek appropriate professional advice inside and outside the Company as and when it considers this necessary at the expense of the Company.

6. REPORTING RESPONSIBILITIES

i. The Chairperson shall report to the Board on its proceedings after each meeting on all matters within the scope of its duties and responsibilities.

ii. The Committee shall make whatever recommendations to the Board it deems appropriate, on any area within its Terms of Reference and/or where action or improvement is needed.

iii. The Committee shall report to the Board on its activities, based on these Terms of Reference.

7. GENERAL MEETINGS

The Chairperson of the Committee shall attend the general meetings of the Company to respond to any queries or concerns regarding the Committee's functions and responsibilities and provide updates on its activities.

8. REVIEW OF THE TERMS OF REFERENCE

The Committee is responsible for periodically reviewing the Terms of Reference and recommending any necessary changes to ensure their continued relevance and viability. Such changes may be necessary in response to updates to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Securities, or other regulatory requirements. The Terms of Reference should also be reviewed and updated if there are changes to the Company's direction or strategies that could impact the Committee's role and ability to meet its objectives. Any recommended changes will be submitted to the Board for approval.

This Terms of Reference (Version No. 1) was reviewed and adopted by the Board on 24 December 2025.