GDEX BERHAD
[Registration No. 200301028159 (630579-A)]

INTERNAL AUDIT CHARTER

Introduction

This Charter provides the framework for the conduct of the Internal Audit function in GDEX Berhad ("**GDEX**" or the "**Company**") and its subsidiaries.

Objective

The objective of GDEX's Internal Audit is to provide independent and objective assurance and advisory services that add value and enhance the Group's performance by strengthening risk management, internal control and governance processes.

In addition, Internal Audit may also identify opportunities to enhance profitability and the company's reputation.

Scope of Work

Internal Audit scope of work is to determine whether the organisation's risk management, internal control and governance processes, are adequate and functional to ensure the following:

- Risks are appropriately identified and managed.
- Collaboration and interaction with the various governance groups for overall improvement plan as needed.
- Significant financial, managerial and operating information is accurate, reliable and timely.
- Employees' actions are in compliance with policies, standards, procedures and applicable laws and regulations.
- Resources are acquired economically, used efficiently and adequately protected.
- Programs, plans and objectives are achieved.
- Quality and continuous improvement are fostered in the organisation's control processes.
- Significant legislative or regulatory issues impacting the organisation are recognised and addressed properly.

Accountability

The Head of Internal Audit ("**HIA**"), in the discharge of his or her duties, shall be accountable to Management and the Audit and Risk Management Committee ("**ARMC**") for the following:

- Provide an annual assessment on the adequacy and effectiveness of GDEX's processes for controlling activities and managing risks in the areas set forth under the mission and scope of work.

- To report significant matters related to control processes across the Company and its affiliates, including improvements and then status of their resolution.

- Provide results of the annual audit plan.

- Coordinate with and provide independent oversight of other control and monitoring functions within GDEX (such as risk management, compliance, security, legal, ethics and sustainability) as well as external audit.

Confidentiality

All information obtained in the course of an internal audit is deemed confidential and must not be disclosed unless authorized or required by law.

Independence

To preserve the independence of Internal Audit, the Internal Audit personnel reports to the Head of Internal Audit, who reports administratively to the Managing Director/Group Chief Executive Officer and functionally to the ARMC of GDEX as set out in the section on accountability. Internal Audit shall include, as part of its reporting to the ARMC, regular updates on Internal Audit resourcing and capability.

All internal audit activities shall remain free from undue influence by any part of the company

Responsibility

The Head of Internal Audit and staff of the Internal Audit department are responsible for the following tasks:

Audit Plan
- Develop an audit plan using appropriate risk-based methodology, including any risks or control concerns identified by Management and submit to the ARMC for review and approval.
- Implement the audit plan as approved, including and any special tasks or projects requested by Management and the ARMC.

Professional Competence
- Maintain a professional audit staff with sufficient knowledge, skills, experience and professional certifications to meet the requirements of this Charter.

- Establish a Quality Assurance Program by which the Head of Internal Audit assures the operations of internal audit activities.

Advisory

- Perform advisory services, beyond internal auditing's assurance services to assist Management in meeting its objectives. These may include facilitation, process design, training and advisory services.

- Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations and control processes coincident with their development, implementation and/or expansion.

Reporting and Communications

- Issue periodic reports to the ARMC and Management summarizing the results of audit activities.

- Keep the ARMC informed of emerging trends and successful practices in internal audit.

- Provide a list of significant measurement goals and results to the ARMC.

Investigations

- Carry out the investigation of significant suspected fraudulent activities within the organisation and update Management and the ARMC of the outcomes.

External Auditors

- Consider the scope of work of the external auditors as appropriate, for the purpose of providing optimal audit coverage to the organisation at a reasonable overall cost.

Related Party Transactions

- To evaluate and assess the accuracy of related (recurrent) party transactions and update ARMC.

Conflict of Interests

- Upon request by the ARMC, Internal Audit shall assist in verifying any conflict of interests and formally report the results to the ARMC for its review and consideration.

Whistleblowing

- To assist the Whistleblowing Governance Unit to investigate any whistleblowing cases per the Whistleblowing Policy and Procedures.

Anti-Bribery and Corruption

- To assist in the implementation and maintain effectiveness of the ISO37001:2016 ABMS system

Sustainability

- To provide independent assurance to the Board in relation to the Sustainability Statement in the Annual Report.

Authority

The Head and staff of Internal Audit are hereby vested with the following authorities:

- Have full and unrestricted access to all functions, records, property and personnel.
- Have full and free access to the ARMC.
- Allocate resources, set frequencies, select subjects, determine scopes of work and apply the techniques required to accomplish audit objectives.
- Obtain the necessary assistance of personnel in units of the organisation where they perform audits, as well as other specialized services from within or outside the organisation.
- The Head of Internal Audit and staff of the Internal Audit department are precluded from doing the following:

    i) Performing any operational duties for the organisation or its affiliates.

    ii) Initiating or approving external accounting transactions to the Internal Audit department.

    iii) Directing the activities of any organisation employee not employed by the Internal Audit department, except to the extent such employees have been appropriately assigned to audit teams or to otherwise assist the Internal Auditors.

Standards of Audit and Risk Management Practice

The planning and conducting of internal audit and risk management is based on the following standard/framework:

i) Internal Audit- Professional Practices Framework (Standards and Guidance by The Institute of Internal Auditors (Global) and International Standards for the Professional Practice of Internal Auditing (Institute of Internal Auditors Malaysia).

ii) Risk Management- ISO 31000:2018.

Review of the Charter

This Charter will be reviewed annually and as and when required by the Audit and Risk Management Committee. The Charter is available on the Company's website (please refer to https://tinyurl.com/muftvx5b in the Company’s website www.gdexpress.com for the policy).