



**INFOMINA BERHAD**

Registration No. 200701018579 (776590-U)

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

## INFOMINA BERHAD [Registration No. 200701018579 (776590-U)]

### Terms of Reference of the Audit and Risk Management Committee

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#### 1. MEMBERSHIP

- 1.1 Members of the Audit and Risk Management Committee (“**Committee**”) shall be appointed by the Board amongst its Directors and shall comprise at least three (3) members, all of whom must be Non-Executive Directors, and a majority of whom must be Independent Non-Executive Directors.
- 1.2 The Chairperson of the Board must not be a member of the Committee.
- 1.3 All members of the Committee should be financially literate and have sufficient understanding of the Company’s business and must be able to read, analyse, interpret and understand the financial statements, and ask pertinent questions about the Company’s reporting process.
- 1.4 At least one (1) member of the Committee:-
- (a) must be a member of the Malaysian Institute of Accountants (“**MIA**”); or
  - (b) if not a member of the MIA, he must have at least three (3) years’ working experience; and
    - (i) must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
    - (ii) 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
  - (c) fulfils such other requirements as prescribed by Bursa Malaysia Securities Berhad (“**Bursa Securities**”).
- 1.5 No Alternate Director shall be appointed as a member of the Committee.
- 1.6 A former partner of the external audit firm and/or the affiliate firm (including those providing advisory services, tax consulting etc) of the Company or any entity within the Group is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the Committee.
- 1.7 The term of office, the effectiveness and performance of the Committee and each of its members shall be reviewed by the Nominating and Remuneration Committee annually to determine whether the Committee and its members have carried out their duties in accordance with this Terms of Reference.
- 1.8 Where the members of the Committee for any reason are reduced to less than three (3), the Board shall based on the recommendation of the Nominating and Remuneration Committee, within three (3) months from the occurrence of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

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**2. CHAIRPERSON**

- 2.1 The Chairperson of the Committee shall be an Independent Non-Executive Director.
- 2.2 In the absent of the Chairperson of the Committee, the other members of the Committee shall amongst themselves elect a Chairperson who must be an Independent Non-Executive Director to chair the meeting.

**3. SECRETARY**

The Company Secretary shall be the Secretary of the Committee.

**4. QUORUM AND MEETING PROCEDURES**

- 4.1 The Committee shall meet at least four (4) times each financial year. The Chairperson may request for additional meetings as he considers necessary.
- 4.2 The Committee meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables all persons to participate for the entire duration of the meeting. The technology to be used for the purpose of the meeting must be such that all persons taking part in the meeting must be able to communicate simultaneously with each of the other persons taking part in the meeting and may include telephone, television, video conferencing or any other audio and/or visual device which permits instantaneous communication.
- 4.3 A virtual meeting shall be deemed to constitute a Committee meeting provided the following conditions are met:-
- (a) all the Committee members for the time being entitled to receive notice of the Committee meeting shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as may be permitted by the Constitution of the Company; and
  - (b) a Committee member may not leave a virtual meeting by disconnecting from the technology used unless he has previously expressly notified the Chairperson of the meeting of his intention to leave the meeting and a Committee member shall be conclusively presumed to have been present and have always formed part of the quorum during such a meeting until such notified time of his leaving the meeting.
- 4.4 The main venue of the meeting shall be the place where the Chairperson or the Chairperson of the meeting is present.
- 4.5 The quorum for the meeting shall be two (2) members, who are Independent Non-Executive Directors.

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- 4.6 The Company Secretary, in consultation with the Chairperson of the Committee, shall draw up the agenda of the meeting. The agenda, together with the relevant support papers, shall be circulated at least five (5) business days, or shorter notice where it is unavoidable prior to each meeting to the members of the Committee.
- 4.7 The Committee may, as and when deemed necessary, invite any Board members or any member of management or any employee of the Company, who the Committee thinks fit, to attend its meetings to assist and provide pertinent information as necessary.
- 4.8 A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes. In the event of an equality of votes, the Chairperson has the casting vote. Nonetheless, at meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairperson of the Committee will not have the casting vote.
- 4.9 A member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall abstain from deliberating and voting.
- 4.10 The Committee shall meet at least once a year with the internal and external auditors without the presence of any executive Board members, management or employees. The Chairperson may request for additional meetings if he consider it necessary.

## **5. MINUTES**

- 5.1 The Company shall cause minutes of all proceedings of the Committee meeting to be entered in books for that purpose. The minutes of each meeting shall be signed by the Chairperson of the meeting at which proceedings were held or by the Chairperson of the next succeeding meeting.
- 5.2 The minutes shall be kept by the Company at the Registered Office and shall be open for inspection by any Committee member or Board member.
- 5.3 The minutes of each Committee meeting shall be distributed to the Board members for notation.

## **6. WRITTEN RESOLUTION**

- 6.1 A resolution in writing signed by all members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.
- 6.2 The resolution may consist of several documents in like form, each signed by one (1) or more Committee members. Such document may be accepted as sufficiently signed by a Committee member if it is transmitted to the Company by facsimile or other electrical or digital written message, which include a signature of the said Committee member.

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#### 7. REPORTING

The Committee, through its Chairperson, shall report a summary of significant matters to the Board at the next Board meeting after each Committee meeting. When presenting any recommendations to the Board for approval, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.

#### 8. AUTHORITY

The Committee shall in accordance with a procedure to be determined by the Board and at the expense of the Company:-

- (a) have explicit authority to investigate any matter within its Terms of Reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to all information and documents which are required to perform its duties as well as to the internal and external auditors and management of the Group;
- (d) obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary;
- (e) have direct communication channels with the external auditors and person(s) carrying out the internal audit function; and
- (f) where the Committee is of the view that the matter they reported to the Board has not been satisfactorily resolved, resulting in a breach of the ACE Market Listing Requirements of Bursa Securities (“**Listing Requirements**”), the Committee shall promptly report such matter to Bursa Securities.

#### 9. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee are as follows:-

##### Financial Reporting

- 9.1 Review the quarterly results and the year-end financial statements of the Group, before submission to the Board for approval, focusing particularly on:-
  - (a) changes in or implementation of major accounting policy changes;

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- (b) significant matters highlighted including financial reporting issues, significant judgement made by management, significant and unusual events or transactions and how these matters are addressed;
  - (c) significant adjustment arising from the audit;
  - (d) major judgemental areas;
  - (e) the going concern assumption; and
  - (f) compliance with accounting standards, regulatory and other legal requirements.
- 9.2 Review and provide advice on whether the financial statements taken as a whole provide a true and fair view of the Company's financial position and performance.
- 9.3 Ask probing questions to ascertain whether the financial statements are consistent with operational and other information known, where there are significant matters requiring judgement.

External Auditors

- 9.4 Consider and recommend to the Board on the appointment or re-appointment of external auditors and to fix their fees (audit and non-audit), after assessing their independence and capabilities as well as the effectiveness of the external audit process.
- 9.5 Review the following and report the same to the Board:-
- (a) letter of resignation from the external auditors or suggestions for their dismissal, including a copy of any written representations or statement of circumstances in relation with the resignation made by the external auditors, if applicable; and
  - (b) whether there is reason (supported by grounds) to believe that the external auditors is not suitable for re-appointment.
- 9.6 Assess the suitability, objectivity and independence of the external auditors on an annual basis based on the policies and procedures that have been established and the annual performance evaluation of the external auditors undertaken by the Committee. The policies and procedures must include among others consideration on:-
- (a) the criteria to guide decisions on the appointment and re-appointment of the external auditors. The criteria should include an assessment of the competence, audit quality and resource capacity of the external auditors in relation to the audit. The assessment should also consider information presented in the Annual Transparency Report of the audit firm. If the

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Annual Transparency Report is not available, the Committee may engage the audit firm on matters typically covered in an Annual Transparency Report including the audit firm's governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks;

- (b) the appropriateness of audit fees to support a quality audit;
- (c) requirement for non-audit service to be approved by the Committee before they are rendered by the external auditors and its affiliates while taking into account the nature and extent of the non-audit services and the appropriateness of the level of fees;
- (d) requirement 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; and
- (e) the conduct of an annual evaluation on the performance of the external auditors and undertaking follow-up measures, where required.

9.7 Review the following with the external auditors and report the same to the Board:-

- (a) audit plan, its scope and nature;
- (b) audit report;
- (c) evaluation of the system of internal controls;
- (d) the assistance given by the employees to the external auditors, including any difficulties or disputes with management encountered during audit; and
- (e) external auditors' management letter and management's response thereto.

#### Internal Audit

- 9.8 Review the adequacy of the scope, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work.
- 9.9 Review the internal audit plan, programme, processes, and the reporting structure.
- 9.10 Review the findings of the internal auditor's reports, investigations undertaken and whether or not appropriate actions are taken by the management, based on the recommendations of the internal auditors.
- 9.11 Review the appraisal or assessment of the performance of the internal audit function on an annual basis.

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9.12 Review any special audit which the Committee deems necessary.

Risk Management and Internal Control

9.13 Establish an adequate and effective Group's risk management and internal control framework.

9.14 Review and assess the Group's level of risk appetite and risk tolerance.

9.15 Review the enterprise risk management framework, policies and process, including identifying, managing, monitoring and mitigating the significant risks of the Group, and recommend for approval by the Board.

9.16 Review significant risks identified (including operational, financial, regulatory compliance, sustainability and reputational risks) and assess the mitigating actions put in place to manage these risks.

9.17 Review the adequacy of resources for managing the risk management and internal control framework.

9.18 Review the Statement on Risk Management and Internal Control to ensure that relevant information as prescribed in the Listing Requirements are disclosed in the Annual Report.

Related Party Transactions ("RPT") and Recurrent RPT ("RRPT")

9.19 Monitor, review and report to the Board any RPT, RRPT and conflict of interest situation that may arise within the Company or Group, including any transaction, procedures or course of conduct that raises question on management integrity.

Others

9.20 Review all financial related reports/statements or any other reports/statements as required by the Listing Requirements, for inclusion in the Annual Report.

9.21 Verify allocation of units or options issued pursuant to the various incentive or retention schemes implemented by the Group (if any).

9.22 Obtain regular updates from the management regarding compliance matters.

9.23 Review findings, queries or investigation by the regulatory agencies (if any).

9.24 Review the adequacy and appropriateness of Anti-Bribery and Anti-Corruption Policy & Guidelines, and Whistleblowing Policy & Guidelines, when necessary.

9.25 Carry out any other functions that may be mutually agreed upon by the Committee and the Board.



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**10. REVIEW OF THE TERMS OF REFERENCE**

- 10.1 This Terms of Reference shall be periodically reviewed and updated taking into consideration the needs of the Company as well as any development in the rules and regulations that may have an impact on the discharge of the Committee's responsibilities.
- 10.2 This Terms of Reference was reviewed and approved by the Board on 4 October 2022 and is made available for reference on the Company's website at <http://infomina.co/>.

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