



**Terms of Reference**  
**Audit and Risk Management Committee (“ARMC”)**

**1. INTRODUCTION**

- 1.1 The Audit and Risk Management Committee’s Terms of Reference (“TOR”) sets out the requirements of the Board of Directors (“Board”) of Plenitude Berhad for the establishment of an Audit and Risk Management Committee (“ARMC”) and the delegation of responsibilities to such a Committee.

**2. FUNCTIONS**

- 2.1 The ARMC’s TOR is established pursuant to the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad and is approved by the Board.
- 2.2 The purpose of the ARMC is to assist the Board in fulfilling its fiduciary duties as well as following oversight objectives on the activities of the Group in respect of the following:
- 2.2.1 oversee financial reporting;
  - 2.2.2 assess the risks and control environment;
  - 2.2.3 evaluate the internal and external audit system, processes and outcomes;
  - 2.2.4 review conflict of interest situations and related party transactions; and
  - 2.2.5 undertake any such other functions as may be determined by the Board from time to time.

**3. MEMBERS**

- 3.1 The ARMC members shall be appointed by and from the Board of Plenitude Berhad and shall comprise of not less than three (3) members. The member of the ARMC shall not be the Chairman of the Board.
- 3.2 All the members of the ARMC must be Non-Executive Directors and a majority of whom must be Independent Directors free from any business or relationship that in the opinion of the Board would materially interfere with the exercise of his/her independent judgement as a member of the ARMC.
- 3.3 Members of the ARMC may relinquish their membership in the ARMC with prior written notice to the Company Secretary. The ARMC will review and recommend to the Board for approval, another candidate to fill up such vacancy.



- 3.4 No Alternate Director shall be appointed as a member of the ARMC.
- 3.5 Any former key audit partner must have observed a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.
- 3.6 At least one member of the ARMC
- i) must be a member of the Malaysia Institute of Accountants ("MIA"), or
  - ii) if he is not a member of the MIA, he must have at least 3 years' working experience and:
    - he must have passed the examinations specified in Part I of the First 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 First Schedule of the Accountants Act, 1967.
  - iii) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
- 3.7 All members of the ARMC shall be financially literate.
- 3.8 In the event a member of the ARMC resigns, dies or for any reason ceases to be a member, resulting in ARMC membership conditions not being fulfilled, the Board shall within three (3) months of that event appoint such number of new members as may be necessary to fulfil the requirements.
- 3.9 Quorum
- 3.8.1 To form a quorum, at least two (2) of the members must be present at the meeting, with the majority of Independent Non-Executive Directors.
  - 3.8.2 In the absence of the Chairman, the members present shall elect a Chairman for the meeting, who shall be an Independent Non-Executive Director from amongst the members present.

#### **4. POWERS AND AUTHORITY**

- 4.1 The Board authorises the ARMC, within the scope of its duties and responsibilities set out in this TOR to:
- 4.1.1 investigate any activity or matter within its terms of reference;
  - 4.1.2 have full and unrestricted access to information, records, properties and personnel within the Group;

- 4.1.3 obtain relevant internal and external independent professional to assist in the proper discharge of its roles and responsibilities; advice, as it deems necessary;
- 4.1.4 maintain direct communication with the external auditors and internal auditor; and
- 4.1.5 convene meetings with the external auditors, internal auditors without the presence of other directors and employees of the Group, whenever deemed necessary.

## **5. CHAIRMAN OF THE ARMC**

- 5.1 The Chairman of the ARMC must be an Independent Non-Executive Director and shall be appointed by the members of the ARMC.

## **6. SECRETARY OF THE ARMC**

- 6.1 The Company Secretary shall be the Secretary of the ARMC.
- 6.2 The Secretary shall be present to record and minute all proceedings of the ARMC meetings.
- 6.3 The Secretary shall have the following responsibilities:
  - 6.3.1 ensure all meetings are arranged and held accordingly;
  - 6.3.2 draw up meeting agenda in consultation with the Chairman and circulate the agenda together with the relevant papers at least seven (7) days prior to each meeting to enable full and proper consideration to be given to issues;
  - 6.3.3 prepare the minutes of the ARMC meetings and record the conclusions of the ARMC in discharging its duties and responsibilities;
  - 6.3.4 ensure the minutes are endorsed by the Chairman before circulating promptly to all members of the ARMC and make the same available to Board members who are not members of the ARMC; and
  - 6.3.5 ensure that the minutes of the ARMC meetings are properly kept and produced for inspection if required.

## **7. QUORUM AND MEETING GUIDELINES OF THE ARMC**

- 7.1 In order to form a quorum, minimum two (2) members must be present.



- 7.2 In the absence of the Chairman, the members present shall elect a Chairman for the meeting, who shall be an Independent Non-Executive Director from amongst the members present.
- 7.3 The ARMC shall meet at least four (4) times a year or more frequently as circumstances dictate and at least twice a year ARMC shall meet with the external and internal auditors without executive Board members and Management present.
- 7.4 The ARMC meetings shall be governed by the provisions of the Company's Constitution relating to Board meetings unless otherwise provided for in this TOR. The ARMC may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.
- 7.5 The ARMC may request other Directors, members of Board committees, key management, counsels and consultants when applicable and necessary to participate in the meetings, to assist in carrying out the ARMC's responsibilities.
- 7.6 A member of the ARMC shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him/her. Where this causes a lack of quorum, the ARMC shall appoint another candidate(s) who meets the membership criteria.
- 7.7 A member of the ARMC may participate in a meeting by means of a telephone conference or video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 7.8 The notice and agenda for each ARMC meeting shall be sent to all members of the ARMC and any other persons who may be required to attend.
- 7.9 The Chairman of the ARMC shall report to the Board on any matter that should be brought to the Board's attention and provide recommendations of the ARMC that require the Board's approval at the Board meeting.
- 7.10 The Chairman shall submit an annual report to the Board, summarizing the ARMC's activities during the year including results and findings and the relevant training attended by each member.
- 7.11 A resolution in writing signed by a majority of all members of the ARMC shall be valid and effectual as if it had been passed at a meeting of the ARMC. All such resolutions shall be described as "Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in the like form, each signed by one (1) or more members. The expressions "in writing" or "signed" include approval by legible confirmed transmission by facsimile or other forms of electronic communications.



## **8. DUTIES AND RESPONSIBILITIES**

### **8.1 Assessing the risks and control environment**

8.1.1 Review the sufficiency and effectiveness of the Group's overall risk management framework; and

8.1.2 Assess the effectiveness of the system of internal controls i.e. the risks, control environment and compliance requirements based on the results of the external and internal audits.

### **8.2 Oversee financial reporting**

8.2.1 Review the quarterly results and the year-end financial statements of the Group prior to approval by the Board focusing on changes in implementation of major accounting policies, significant and unusual events and adjustments and compliance with the applicable financial reporting standards and other legal requirements; and

8.2.2 Review major audit findings and management's response during the year with management, external auditors and internal auditor.

### **8.3 Evaluate the internal and external audit processes and outcomes**

8.3.1 Review with the external auditors on their audit plan, their evaluation of the system of internal controls, audit report, problems and reservations arising from the interim and final audits, the management letter and management's response and the adequacy of assistance given by the Group's employees;

8.3.2 Review any letter of resignation from the external auditors and report the same to the Board;

8.3.3 Review whether there is any reason that the external auditor is not suitable for reappointment and make the relevant recommendations to the Board;

8.3.4 Recommend the nomination of a person or persons as external auditors, including matters related to audit fees;

8.3.5 Ensure the proper policies and procedures are established and to assess the suitability and independence of external auditors, including obtaining written assurance from external auditors confirming they are and have been independent throughout the conduct of audit engagement in accordance with the terms of reference of all relevant professional and regulatory requirements;

8.3.6 Set policy on non-audit services which may be provided by the external auditors; and

8.3.7 In respect of the Group's internal audit function, to undertake the following:

- a) review the adequacy of the scope, functions, resources and budget of the Group's internal audit function;
- b) approve the internal audit plan and review the results of the internal audit plan and decide whether or not appropriate actions are taken and report to the Board;
- c) review the effectiveness of the Group's internal audit function and make recommendations necessary for the improvement of the internal audit function;
- d) review any appraisal of or assessment of the performance of the Group's internal audit function;
- e) approve any appointment or removal of the Internal Auditor.

8.4 Review conflict of interest situations and related party transactions (including recurrent related party transactions)

8.4.1 Review any conflicts of interest and related party transactions including recurrent related party transactions that may arise within the Group; and

8.4.2 Ensure that the Group has adequate procedures and processes in place to monitor and track related party transactions and to review these processes and processes annually.

8.5 Other responsibilities and safeguards

8.5.1 Consider any concerns raised by external auditor in respect of breach or non-performance of any requirement or rules that may materially affect the financial position of Plenitude Berhad.

8.5.2 Review the Company's Annual Report including approving the Statement on Risk Management and Internal Control, the Corporate Governance Overview Statement and CG Report and other statements related to strategy, financials and performance for inclusion in the Annual Report and recommend to the Board for approval.

## **9. REPORTING**

9.1 The ARMC shall regularly update the Board about its activities and make recommendations through copies of minutes of each meeting and circulate to all Board members once endorsed by the Chairman;



- 9.2 The ARMC shall be responsible in ensuring that the Company discloses in its Annual Report an Audit and Risk Management Committee Report (“ARMC Report”) for the financial year. The ARMC must disclose how it has met its responsibilities in discharging its functions and duties for the financial year (Paragraph 15.15(3)(d) of MMLR);
- 9.3 The ARMC Report in the Annual Report will no longer need to disclose the terms of reference (TOR) of ARMC, the key functions, roles and responsibilities;
- 9.4 Instead, the ARMC must have written terms of reference which deal with its authority and duties and such information must be made available on the Company’s website; and
- 9.5 The ARMC Report must include the composition of the ARMC, including the name, designation (indicating the chairman) and directorship of the members (whether independent or otherwise); the number of meetings held and details of attendance of each audit and risk management committee member; a summary of the works of the ARMC in the discharge of its functions and duties for that financial year and how it has met its responsibilities; and a summary of the works of the internal audit function.

## **10. MEETING ADMINISTRATION**

- 10.1 Meetings shall be conducted at least four (4) times annually, or more as circumstances warrant.
- 10.2 The Chairman of the ARMC in consultation with the Secretary shall determine the frequency of the meetings and discuss the schedule of the meetings with the ARMC members.
- 10.3 The ARMC shall meet with the external auditors or internal auditors without executive board members and management present at least twice a year.
- 10.4 Chief Executive Officer, Chief Financial Officer and the Internal Auditor and other members of the Board or Senior Management may attend the meetings upon invitation of ARMC. Participation of these officers may not be required throughout the duration of the meeting.
- 10.5 Notice and Agenda
  - 10.5.1 Proper notice shall be issued for any of the ARMC meetings and the Chairman shall ensure that proper agenda is prepared; and
  - 10.5.2 The agenda and relevant papers must be issued (7) days prior to each of the ARMC meeting.

**10.6 Minutes of the Meeting**

- 10.6.1 The discussions and conclusions of the meetings shall be minuted in a clear, accurate and timely manner;
- 10.6.2 The minutes shall be entered into the minutes register kept by the Company Secretary together with the attendance sheet; and
- 10.6.3 Reproduction of any part of the minutes can only be performed by the Company Secretary.

**11. PERFORMANCE**

- 11.1 On an annual basis, the Board shall via the Nomination Committee evaluate the ARMC's term of office and performance and extent to which the Committee has met the requirements of its TOR. This assessment may constitute a part of the annual Board Effectiveness Assessment in respect of assessment of the Board Committees.

**12. REVISION OF THE TERMS OF REFERENCE**

- 12.1 Any revision or amendment to this TOR as proposed by the ARMC or any other party shall first be presented to the Board for its review and approval.
- 12.2 Upon the Board's approval, the said revision or amendment shall form part of this TOR and shall be considered duly revised or amended.

**13. APPROVAL**

- 13.1 This TOR was reviewed and approved by the Board of Directors on 22 November 2022.