

AUTOCOUNT DOTCOM BERHAD
Registration No. 202201006885 (1452582-U)
(Incorporated in Malaysia)

TERMS OF REFERENCE OF AUDIT AND RISK MANAGEMENT COMMITTEE

1. DEFINITION:

“Committee” or “ARMC”	:	The Audit and Risk Management Committee of the Company.
“Company”	:	Autocount Dotcom Berhad and by whatever name from time to time called.
“CEO”	:	The principal executive officer of the Company for the time being, by whatever name called, and whether or not he is a director.
“Group”	:	The Company and its subsidiary.
“Listing Requirements”	:	Bursa Malaysia Securities Berhad ACE Market Listing Requirements, including any relevant practice and/or guidance notes, directives, guidelines issued pursuant thereto and any amendment, modification, supplemental to the listing requirements that may be made from time to time.
“Board” or “Directors”	:	The directors for the time being of the Company or such number of them as have authority to act for the Company.
“Secretary”	:	Any person or persons jointly appointed to perform the duties of a secretary of the Company, including any person(s) appointed temporarily and any representative of the Secretary.

2. DATE ESTABLISHED

The Committee was established on 26 September 2022.

3. COMPOSITION

The Board shall appoint the Committee from amongst the directors of the Company. It shall comprise at least three (3) members, consisting wholly of non-executive Directors and a majority of whom are independent and financially literate, competent and able to understand matters under the purview of the ARMC, including the financial reporting process, the majority of whom shall be independent directors. At least one (1) member of the Committee:-

- (a) Who must be a member of the Malaysian Institute of Accountants (MIA); or
- (b) If he is not a member of the MIA, he must have at least three (3) years of working experience; and
 - (i) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - (ii) he must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- (c) Who must have at least three (3) years post-qualification experience in accounting or finance:
 - (i) Has a degree/master/doctorate in accounting or finance; or
 - (ii) Is a member of any professional accountancy organisation which has been admitted as a full member of the International Federation of Accountants; or
- (d) Who must have at least seven (7) years of experience being a chief financial officer of a corporation

No alternate Director shall be appointed as a member of the Committee.

A former key audit partner shall observe a cooling-off period of at least three (3) years before being appointed as a member of the Committee.

4. CHAIRMAN

The members of the Committee shall elect a Chairman from amongst their members, who shall be an independent director.

The Chairman of the Committee is not the Chairman of the Board.

The responsibilities of the Committee Chairman are, amongst others:

- (a) Ensuring that the ARMC Meetings run efficiently and each agenda item is thoroughly and thoughtfully discussed with all members of the Committee;
- (b) Overseeing reporting to the Board; and
- (c) Serves as the key contact between the Committee members and members of the Board, as well as senior management and both the internal and external auditors.

5. SECRETARY

The Secretary shall act as Secretary of the Committee and shall be responsible for preparing the agenda in consultation with the Chairman and distribution to all the members of the papers to be deliberated at the meeting.

6. MEETINGS

The Committee shall meet at least four (4) times each year and at such additional meetings as the Chairman shall decide.

The quorum for a Committee meeting shall be at least two (2) members; the majority present must be independent directors.

The Secretary shall, on the requisition of the members of the Committee, summon a meeting of the Committee, and except in the case of an emergency, reasonable notice of every Committee meeting shall be given in writing.

Other Board members and/or employees may attend the Committee meeting(s) upon invitation of the Committee.

Upon the request of the external auditors, the Chairman of the ARMC must convene a meeting of the Committee to consider any matter the external auditors believe should be brought to the attention of the directors or shareholders. In addition, the management, the internal auditor and the external auditors may request a private session with the Committee to discuss any matter of concern.

Each member of the Committee is entitled to one (1) vote in deciding the matters deliberated in the meeting.

The decision that gained the majority votes shall be the decision of the Committee. In the event of an equality of votes, the Chairman of the Committee shall be entitled to a second or casting vote.

Members of the Committee may participate in a meeting through a conference telephone call, conference videophone call or any similar or other communications method by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting and shall satisfy the quorum requirement.

A majority of votes shall decide questions arising at any meeting of the Committee, and a determination by a majority of members shall, for all purposes, be deemed a decision of the Committee.

7. OBJECTIVES

The Committee is responsible for reviewing reports from internal and external auditors to validate scope, evaluate existing policies, establish audit quality and ensure compliance with the Group's policies. The Committee will also be responsible for ensuring that proper processes and procedures are in place to comply with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies.

8. AUTHORITY

The Committee shall have the authority to:-

- (a) Approve any appointment or termination of senior staff members of the internal audit function.
- (b) Convene a meeting with the external auditors, the internal auditor, or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary. Such meetings with the external auditors shall be held at least twice a year.
- (c) Obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary.
- (d) Investigate any matter within its terms of reference, have the resources which it needs to do so, full and unrestricted access to information pertaining to the Group and the Management, and all employees of the Group are required to comply with requests made by the Committee.
- (e) Have direct communications channels with the external auditors and internal auditors, and also engage the senior management on a continuous basis, such as the Chairman, the CEO and the Chief Financial Officer, in order to be kept informed of matters affecting the Group.

9. RESPONSIBILITIES AND DUTIES

In fulfilling its primary objectives, the ARMC undertakes, amongst others, the following responsibilities and duties:-

- (a) to review, assess and monitor the performance, suitability, objectivity and independence of the internal and external auditors;
- (b) to consider any matters concerning the appointment and re-appointment, the audit fee and any questions of resignation or dismissal of external auditors, and further ensure the suitability, objectivity and independence of external auditors;
- (c) to review with the external auditors:
 - (i) their audit plan, scope and nature of the audit of our Group;
 - (ii) their evaluation and findings of the system of internal controls;
 - (iii) their audit reports;
 - (iv) the management letter and management's response with regard to problems and reservations arising from their audits; and
 - (v) any other matters that the external auditors may wish to discuss (in the absence of management where necessary).
- (d) to review the assistance given by the management and employees of our Group to the external auditors;

- (e) to review and assess the adequacy of the scope, functions, competency and resources of the internal audit functions of which the internal auditors should report directly to the ARMC. The internal auditors must be an independent, objective assurance and must have the relevant qualification and be responsible for assuring the ARMC that internal control is operating effectively;
- (f) to review the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken on the recommendations;
- (g) to review the adequacy and effectiveness of our Group's internal control systems and risk management framework as evaluated, identified and reported by our management and internal or external auditors, as well as to review the appropriate and timely corrective actions undertaken to ratify the same;
- (h) to review the quarterly and year-end financial statements of our Group before the approval by our Board, focusing particularly on the following:
 - (i) any changes in or implementation of major accounting policy changes;
 - (ii) significant matters highlighted, including financial reporting issues, the significant judgement made by management, significant unusual events or transactions, and how these matters are addressed; and
 - (iii) compliance with accounting standards and other legal requirements;
- (i) to review any related party transactions and conflicts of interest situations that may arise within our Company or Group, including any transactions, procedures or course of conduct that raises questions of management integrity;
- (j) to review any letter of resignation from the external auditors of our Company;
- (k) to review whether there is a reason (supported by grounds) to believe that our Company's external auditors are not suitable for re-appointment;
- (l) to recommend the nomination of a person or persons as external auditors; and
- (m) to carry out such other functions or assignments as may be delegated by our Board from time to time.

10. COMMUNICATION WITH THE BOARD

The Committee shall prepare a report each year concerning its activities in compliance with these terms of reference to be tabled to the Board and for inclusion in the Group's Annual Report.

The minutes of each Committee meeting shall be tabled to the Board for notation.

The Committee may, from time to time, submit to the Board its recommendation on matters within its purview for the Board's decision.

Where the Committee is of the view that a matter reported to the Board has not been satisfactorily resolved to result in a breach of the Listing Requirements, the Committee must promptly report such matter to the Securities Commission of Malaysia.

11. CIRCULAR RESOLUTION

A resolution in writing signed or approved by letter, telex, facsimile, telegram or any other electronic means by the majority of the ARMC for the time being entitled to receive notice of a meeting of the ARMC shall be as valid and effectual as if it had been passed at a meeting of the ARMC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.

12. APPOINTMENT PROCESS

If a member of the Committee resigns, dies or for any reason ceases to be a member, the Board must fill the vacancy within three (3) months.

Annual review and re-appointment by the Board of Directors subject to the Board of Directors' review of the term of office and performance of the Committee and each of its members at least once every three (3) years to determine whether such ARMC and members have carried out their duties in accordance with their terms of reference.

13. REVIEW OF THE TERMS OF REFERENCE

The Committee shall recommend any changes to its terms of reference in such manner as the Committee deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated where necessary, i.e. when there are changes to the Malaysian Code of Corporate Governance, Listing Requirements or any other regulatory requirements. It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the Committee's role.

This Terms of Reference was adopted by the Board on 26 September 2022.

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