

TERMS OF REFERENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE
(Adopted on 18 January 2024)

1. Objectives

The primary objectives of the Audit and Risk Management Committee ("**ARMC**") is to assist the Board of Directors ("**Board**") in discharging its statutory and fiduciary duties and responsibilities relating to accounting and reporting practices as well as fulfilling its oversight responsibilities for the system of internal control and oversee the implementation of risk management framework and policies of the Company and its subsidiaries ("**Group**") in order to manage the overall risk exposure.

2. Composition of Members

The ARMC shall be appointed by the Board from amongst its members and shall consist of not less than three (3) members, all of whom shall be Non-Executive Directors. The majority of the ARMC members shall be Independent Directors.

*In this respect, the Board adopts the definition of "independent director" as defined under the Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**the Listing Requirements**").*

Collectively, the ARMC should possess a wide range of necessary skills to discharge its duties. All members of the ARMC should be financially literate and are able to understand the matters under the purview of the ARMC including the financial reporting process. At least one (1) member of the ARMC:-

- (a) shall be a member of the Malaysian Institute of Accountants ("**MIA**"); or
- (b) if he/she is not a member of the MIA, he/she must have at least three (3) years of working experience and:
 - i. he/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - ii. he/she must be a member of one (1) of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967.
- (c) fulfils such other requirements as prescribed by Bursa Securities.

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

No former partner of the Company's external audit firm and outsourced internal audit firm shall be appointed as a member of the ARMC unless the said former partner has observed a cooling-off period of at least three (3) years before being appointed as a member of the ARMC. The former partner herein refers to all former partners of the audit firm and/or the affiliate firm (including those providing advisory services, tax consulting and etc).

All members of the ARMC should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

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Retirement and Resignation

If a member of the ARMC or Chair of the ARMC resigns, dies, or for any reason ceases to be a member or Chair, resulting in non-compliance to the composition criteria as stated in paragraph 2 above, the Board shall within three (3) months of the event appoint such number of the new member(s) or Chair of the ARMC respectively as may be required to fill the vacancy.

3. Chair

The members of the ARMC shall elect a Chair from amongst their number of whom shall be an Independent Non-Executive Director of the Company and who shall not be the Chair of the Board.

The Chair of the ARMC is responsible for ensuring the overall effectiveness and independence of the ARMC.

The Chair of the ARMC together with other members of the ARMC should ensure amongst others that:-

- the ARMC is fully informed about significant matters related to the Company's audit and its financial statements and address these matters;
- the ARMC appropriately communicates its insights, views and concerns about relevant transactions and events to internal and external auditors;
- the ARMC's concerns on matters that may have an effect on the financial or audit of the Company are communicated to the external auditors; and
- there is co-ordination between internal and external auditors.

4. Secretary(ies)

The Secretary(ies) of the ARMC shall be the Company Secretary(ies) of the Company.

The Secretary(ies) shall be responsible for drawing up the agenda and circulating it prior to each meeting and keeping the minutes of meetings of the ARMC.

5. Term of Office

The Nomination and Remuneration Committee of the Company shall review the term of office and performance of the ARMC and each of its members annually to determine whether such ARMC and its members have carried out their duties in accordance with the ARMC's terms of reference.

6. Meetings

The ARMC shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities, at least four (4) times a year or more frequently as deemed necessary. The Chair may call for additional meetings at any time at the Chair's discretion.

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

Notice of ARMC meetings shall be given to all the ARMC members unless the ARMC waives such requirement.

The Chair of the ARMC shall engage on a continuous basis with the Chair of the Board, senior management such as the Group Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer and the Group Financial Controller, the internal auditors and the external auditors in order to be kept informed of matters affecting the Company.

The Chief Financial Officer and the Group Financial Controller and a representative of the internal and external auditors respectively should normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the ARMC. However, the ARMC shall meet with the external auditors without executive Board members present at least twice a year and whenever necessary.

Questions arising at any meeting of the ARMC shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chair of the ARMC shall have a second or casting vote.

In the absence of the Chair of the ARMC, the other members of the ARMC shall amongst themselves elect a Chair who must be an Independent Director to chair the meeting.

7. Minutes

Minutes of each meeting shall be kept at the registered office and distributed to each member of the ARMC and also to the other members of the Board. The ARMC Meeting Chair shall report on the proceedings of each meeting to the Board.

The Minutes of the ARMC Meeting shall be signed by the Chair of the Meeting at which the proceedings were held or by the Chair of the next succeeding meeting and if so signed, shall be conclusive evidence of the proceedings of the meeting duly held.

8. Quorum

The quorum shall consist of two (2) members.

9. Circular Resolutions

A resolution in writing signed by a majority of the ARMC members for the time being and not being less than two (2) ARMC members shall be as valid and effectual as if it had been passed at a meeting of the ARMC duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more ARMC members. Any such document may be accepted as sufficiently signed by an ARMC member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of an ARMC member.

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10. Reporting

The ARMC shall report to the Board, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least four (4) times a year, but more frequently if it so wishes.

The ARMC shall report to the Board on any specific matters referred to it by the Board for investigation and report.

11. Authority

The ARMC with the authorisation by the Board shall, wherever necessary and reasonable to perform its responsibilities and duties, in accordance with a procedure to be determined by the Board and at the expense of the Company:-

- have explicit authority to investigate any activity within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the ARMC;
- have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company and the Group;
- obtain other independent professional advice or other advice and to invite outsiders with relevant experience and expertise to attend, if it considers necessary;
- have direct communication channels with the internal and external auditors and person(s) carrying out the internal audit function or activity (if any);
- where the ARMC is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the ARMC shall promptly report such matter to Bursa Securities; and
- be entitled to the services of the Company Secretary(ies).

12. Duties and Responsibilities

The duties and responsibilities of the ARMC shall include, but are not limited to the following:-

- to consider the appointment and re-appointment of the external auditors and the audit fee, after reviewing the suitability, resources, competency and independence of the external auditors.
- to consider any question of resignation, dismissal or cessation of office of the external auditors, including the review of any letter of resignation from the external auditors and whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment.

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- to establish policies governing the circumstances under which contracts for the provision of non-audit services can be entered into and procedures that must be followed by the external auditors.
- to discuss with the external auditors before the audit commences, the audit plan, particularly the nature and scope of the audit, and ensure coordination where more than one audit firm is involved.
- to review with the external auditors, the evaluation of the system of internal controls and the audit report.
- to review the assistance given by the Company's management to the external auditors.
- to discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary).
- to review the external auditors' management letter and management's response.
- to do the following, in relation to the internal audit function:-
 - consider and approve the appointment of the internal auditors, the internal audit fee and any question of resignation or dismissal;
 - 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;
 - review the internal audit plan, processes, results of the internal audit assessments, investigation undertaken and whether or not appropriate actions are taken based on the recommendations of the internal auditors;
 - review and decide on the budget allocated to the internal audit function;
 - appraise or assess the performance of members of the internal audit function; and
 - monitor the overall performance of the Company's internal audit function.
- to review the quarterly and year-end financial statements of the Company and Group before submission to the Board, focusing particularly on:-
 - any change or implementation of major accounting policies and practices;
 - significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;
 - significant adjustments arising from the audit;
 - review and decide on the budget allocated to the internal audit function;

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- the going concern assumption; and
 - compliance with applicable financial reporting standards and other legal requirements.
- to report its findings on the financial and management performance, and other material matters to the Board.
- to monitor the integrity of the Company's financial statements.
- to consider any related party transactions and conflict of interest situation that arose, persist or may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts.
- to review the risk profile of the Company and to evaluate the measure taken to mitigate the business risks.
- to oversee and recommend the risk management policies and procedures of the Company.
- to review and recommend changes as needed to ensure that the Company has in place at all times a risk management policy which address the strategies, operational, financial and compliance risk.
- to review the adequacy of the Management's response to issues identified to risk registers, ensuring that the risks are managed within the Company's risk appetite.
- to implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the Company's business risks.
- to set reporting guidelines for the Management to report to the ARMC on the effectiveness of the Company's management of its business risks.
- To evaluate the quality and effectiveness of the Company's internal control system and management information systems, including in compliance with applicable laws, rules, corporate governance requirements and guidelines, recommend to the Board on the Statement on Risk Management and Internal Control and any changes to the said Statement.
- to review the audit committee report that sets out the information as prescribed by the Listing Requirements, for inclusion in the annual report of the Company.
- to annually review the term of office and performance of the ARMC and each of its members to determine whether such ARMC and members have carried out their duties in accordance with their terms of reference.
- to verify the allocation of employees' share option scheme ("**ESOS**") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company.

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- to monitor the Company's compliance with relevant laws, regulations and code of conduct.
- to perform the oversight function over the administration of whistleblowing policy that is approved and adopted by the Board and to protect the values of transparency, integrity, impartiality and accountability where the Company conducts its business and affairs.
- to enhance its accountability in preserving its integrity and to withstand public scrutiny which in turn enhances and builds the Company's credibility to all the stakeholders.
- to act in line with the directions of the Board.
- to consider and examine such other matters as the ARMC considers appropriate.

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Revision History Log

Version No.	Date	Description
1.0	18 January 2024	Adoption of the Terms of Reference