

Ref No.	GO-002
---------	--------



**GO HUB CAPITAL BERHAD**

[Registration No. 202201019895 (1465592-V)]  
(Incorporated in Malaysia)

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

## **1. OBJECTIVES**

The principal objectives of the Audit and Risk Management Committee ("**ARMC**") are to assist the Board of Directors ("**Board**") of Go Hub Capital Berhad ("**the Company**") in discharging its statutory and fiduciary duties and responsibilities relating to accounting and reporting practices; internal control; governance processes as well as risk management policies and strategies of the Company and its subsidiaries ("**the Group**").

In addition, the ARMC shall:-

- (a) evaluate the quality of the audits performed by the internal and external auditors;
- (b) provide assurance that the financial information presented by management is relevant, reliable and timely;
- (c) oversee compliance with laws and regulations and observance of a proper code of conduct; and
- (d) determine the quality, adequacy and effectiveness of the Company's control environment.
- (e) ensure financial statements comply with applicable financial reporting standards; and
- (f) fulfil its corporate governance, risk management and statutory responsibilities in order to manage the overall risk exposure.

## **2. COMPOSITION**

- (a) The Board shall elect the ARMC members from amongst themselves, comprising no fewer 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 ACE Market Listing Requirements ("**the Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").*

- (b) The ARMC should possess a wide range of necessary skills to discharge its duties. All members of the ARMC shall 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:-
  - (i) must be a member of the Malaysian Institute of Accountant ("**MIA**");  
or
  - (ii) if he is not a member of the MIA, he must have at least three (3) years of working experience and:-
    - (aa) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or

- (bb) he must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- (iii) fulfils such other requirements as prescribed or approved by Bursa Securities.
- (c) No alternate Director of the Board shall be appointed as a member of the ARMC.
- (d) No former partner of the Company's external 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 in this Clause refers to all former partners of the audit firm and/or the affiliate firm(s) (including those providing advisory services, tax consulting, etc.)
- (e) All members of the ARMC should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, financial reporting, practices and rules.
- (f) At least one of the independent director in the ARMC must have his principal or only place of a residence in Malaysia.

### **3. CHAIRMAN**

- (a) The Chairman of the ARMC shall be an Independent Non-Executive Director elected by the Board from amongst the ARMC members and whom shall not be the Chairman of the Board.
- (b) The Chairman of the ARMC shall chair all ARMC meetings but in the absence of the Chairman, the members of the ARMC can elect from amongst themselves as the Chairman of the meeting.
- (c) The Chairman of the ARMC is responsible for ensuring the overall effectiveness and independence of the ARMC.
- (d) The Chairman 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. RETIREMENT AND RESIGNATION**

If any member of the ARMC or Chairman of the ARMC retires, re-designates, resigns, dies, or for any reason ceases to be a member or Chairman resulting in non-compliance with Clauses 2(a), 2(b) and 3(a) above, the Board shall, within three (3) months of the event, appoint such number of the new member(s) or Chairman as may be required to fill the vacancy.

**5. SECRETARY(IES)**

The Secretary(ies) of the ARMC shall be the Company Secretary(ies) of the Company. Together with the Chairman of the ARMC, 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.

**6. TERMS OF OFFICE**

The term of office and performance of the ARMC and each of its members would be reviewed by the Nomination Committee annually, in order to determine whether such ARMC and members have carried out their duties in accordance with this Terms of Reference ("**TOR**") of ARMC.

**7. MEETINGS**

- (a) The ARMC shall meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least four (4) times a year or more frequently as deemed necessary. The Chairman or any other member of the ARMC may call for additional meetings at any time at their discretion.
- (b) Upon the request of the external auditors, the Chairman of the ARMC shall convene a meeting of the ARMC to consider any matter the external auditors believe should be brought to the attention of the ARMC, the Board or the shareholders.
- (c) Reasonable notice of ARMC meetings shall be given in writing sent through the post, facsimile, electronic mail and by any means of telecommunication in permanent written form to all the ARMC members, except in the case of emergency, where the ARMC may waive such requirement.
- (d) The ARMC may hold a committee meeting at two (2) or more venues within or outside Malaysia using any technology that gives the ARMC members as a whole a reasonable opportunity to participate. Any member of the ARMC participates at an ARMC meeting by way of telephone and video conferencing or by means of other communication equipment whereby all persons participating in the meeting are able to hear each other and be heard for the entire duration of the meeting in which event such member shall be deemed to be present at the meeting. A member participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the members attending the meeting provided that at least one (1) of the members present at the meeting was at such place for the duration of that meeting. All

information and documents must be made equally available to all participants prior to or at/during the meeting.

- (e) The Chairman of the ARMC shall engage on a continuous basis with the Chairman of the Board, the Managing Director, the Finance Director/ Chief Financial Officer/ Head of Finance, the internal auditors and the external auditors in order to be kept informed of matters affecting the Company.
- (f) The Finance Director/ Chief Financial Officer/ Head of Finance 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. The ARMC shall be able to convene meetings with the external auditors, the internal auditors or both, without executive Board members or employees present whenever deemed necessary.
- (g) The ARMC member concerned shall not participate in deliberations and shall abstain from casting votes on any matter where the particular ARMC member is deemed interested.
- (h) 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 Chairman of the ARMC shall have a second or casting vote.

#### **8. QUORUM**

The quorum shall consist of two (2) members, who are Independent Non-Executive Directors.

#### **9. CIRCULAR RESOLUTION**

A resolution in writing signed by a majority of the ARMC members for the time being 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 electronic mail, telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of an ARMC member. All such resolutions shall be described as "Audit and Risk Management Committee Members' Resolution in Writing" and shall be forwarded or otherwise delivered to the Company Secretary(ies) without delay and shall be recorded by the Company Secretary(ies) in the minutes book.

#### **10. MINUTES**

- (a) 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 Chairman shall report on the proceedings of each meeting to the Board.

- (b) The minutes of the ARMC meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence of the proceedings of the meeting duly held.
- (c) The ARMC members may inspect the minutes of the ARMC at the Registered Office or such other place as may be determined by the ARMC.

## **11. REPORTING**

The Chairman of the ARMC shall report to the Board on the proceedings of each meeting and on matters as it considers appropriate within its TOR at least once a year, but more frequently if it so wishes, either formally in writing or verbally.

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

## **12. AUTHORITY**

The ARMC shall, in accordance with a procedure to be determined by the Board and at the expense of the Company, where necessary and reasonable for the performance of its duties:-

- (a) have explicit authority to investigate any matter 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;
- (b) 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 Group;
- (c) be able to obtain independent professional advice or other advice and invite outsiders with relevant experience and expertise to attend, if it considers necessary;
- (d) have direct communication channels with the internal auditors, external auditors and/or person(s) carrying out the internal audit function or activity;
- (e) be able to convene meetings with the internal auditors, external auditors or the person(s) carrying out the internal audit function or activity, or both, excluding the attendance of other Directors and employees of the Group, whenever deemed necessary;
- (f) 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
- (g) be entitled to the services of the Company Secretary(ies).

### **13. DUTIES AND RESPONSIBILITIES**

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

- (i) to ensure openness, integrity and accountability in the Group's activities so as to safeguard the rights and interests of the shareholders;
- (ii) to review and approve the quarterly and annual financial statements for recommendation to the Board, focusing in particular on any changes in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, going concern assumption and compliance with accounting standards and other regulatory or legal requirements;
- (iii) to provide assistance to the Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices;
- (iv) to improve the Group's business efficiency, the quality of accounting and audit functions so as to strengthen the public's confidence in the Group's reported results;
- (v) to oversee and recommend to the Board the risk management framework and policies of the Group;
- (vi) to advise the Board on setting appropriate policies on internal control and seek assurance that the systems are adequate and functioning effectively to address the risks;
- (vii) to maintain a direct line of communication between the Board and the external and internal auditors;
- (viii) to enhance the independence of the external and internal auditors;
- (ix) to evaluate the quality of the audits performed by the external and internal auditors;
- (x) to assess the suitability, objectivity and independence of the external auditors, including obtaining written assurance from 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;
- (xi) to create a climate of discipline and control, this will reduce the opportunity for fraud;
- (xii) to monitor and review matters relating to related party transactions entered into by the Group and any conflict of interests situations that may arise within the Group;
- (xiii) to recommend to the Board the nomination and re-appointment of the external auditors, considering their independence, the adequacy of experience, audit fee and any issue regarding resignation or dismissal;

- (xiv) to determine the Group's level of risk tolerance and actively identify, assess and monitor key business risks to safeguard the shareholders' investments and the assets of the Group;
- (xv) to ensure that the Board conducts an annual review and periodic testing of the internal control and risk management;
- (xvi) 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 Group conducts its business and affairs; and
- (xvii) to obtain advice from independent parties and other professionals, where necessary, in discharging their duties.

**14. REVIEW OF TOR**

This TOR shall be assessed, reviewed and updated where necessary. It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the ARMC's role. All amendments to the TOR, as recommended by the ARMC, must be approved by the Board.

This TOR is adopted on 19 September 2023.

*- The rest of this page has been intentionally left blank -*