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GO HUB CAPITAL BERHAD

[Registration No. 202201019895 (1465592-V)]

(Incorporated in Malaysia)

INTERNAL AUDIT CHARTER

1. INTRODUCTION

Practice 11.1 of the Malaysian Code on Corporate Governance (“**MCCG**”) stipulates that the Audit Committee should ensure that the internal audit function is effective and able to function independently.

The Board of Directors (“**Board**”) of Go Hub Capital Berhad (“**the Company**”) and its subsidiaries (“**the Group**”) has established an Internal Audit (“**IA**”) Charter to formalise the remit of the IA Function as well as to assist the Audit and Risk Management Committee of the Company (“**ARMC**”) with its oversight of IA Function, as guided by Guidance 11.1 of the MCCG which states that an internal audit function helps a company to accomplish its goals by bringing an objective and disciplined approach to evaluate and improve the effectiveness of risk management, internal control, anti-corruption, whistleblowing and governance process.

2. TERMS OF REFERENCE FOR IA FUNCTION

Guidance 11.1 of the MCCG emphasised the importance of the IA Function as a source of advice for the ARMC and the Board concerning areas of weaknesses or deficiencies in the internal process to facilitate appropriate remedial measures by the Company.

Consequently, the IA Function’s mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight.

The purpose of IA Function is to provide independent, objective assurance and consulting services designed to add value and improve the organisation’s operations.

3. AUTHORITY

- 3.1. The IA Function shall be independent of the activities they audit.
- 3.2. The IA Function is given the mandate to review, analyse, investigate, evaluate, comment and report on any aspect of the Group’s operations.
- 3.3. It shall have full, free and unrestricted access to all Companies, Departments, Company’s operating policies, plans, strategies, records, properties and personnel relevant to the performance of the audit scope of work documented in the IA Plan approved by the ARMC.
- 3.4. The IA Function shall have the authority to obtain the necessary assistance of personnel in the various Departments where the audit is being carried out.
- 3.5. The relevant Heads of Department and Business Unit Managers of the Group are responsible for providing the IA Function with relevant and timely access to all records, personnel and physical properties and for making sure that appropriate actions are taken to address audit recommendations.

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4. MODE OF IA FUNCTION

It is the intention of the ARMC to set up an in-house IA Function and may opt for co-source or outsource to an IA service provider when required.

Assessment Criteria

Prior to making its decision to co-source or outsource the IA Function, the ARMC shall take into account the following key considerations:-

- (i) service provider selection process including the independence, qualification of the lead person responsible for the IA, skills and experience, as well as knowledge;
- (ii) scope of IA work to be outsourced;
- (iii) adequacy of resources deployed – the personnel assigned to undertake the IA have the necessary competency, experience and resources to carry out the function effectively;
- (iv) remuneration of the outsourced service provider;
- (v) roles and responsibilities of the outsourced service provider;
- (vi) access to information, records, physical properties, and personnel as well as the reporting workflow;
- (vii) an appropriate IA framework adopted by the outsourced service provider;
- (viii) assessment of outsourcing risks (e.g. contracts and confidentiality agreements including any sub-contracting arrangements);
- (ix) effectiveness of the IA service rendered by the outsourced service provider and continuity of such service (for subsequent outsourcing arrangements).

5. REPORTING

The Head of IA Function and/or the lead engagement partner of the appointed IA service provider shall, report directly to the ARMC on all matters pertaining to its audit scope, audit plans and audit findings, and administratively (i.e., day-to-day operation) to the Chief Executive Officer.

Where appropriate, the Head of IA Function or the appointed IA service provider may communicate and interact directly with the ARMC, including private sessions (without the presence of Management personnel) and/or specific ARMC meeting(s).

6. OBJECTIVITY AND INDEPENDENCE

6.1 As objectivity is essential to auditing, the IA Function should not normally implement accounting procedures or controls, prepare records or engage in activities that its personnel would normally review and appraise and that could reasonably be construed to compromise its independence.

- 6.2 The objectivity of the appointed IA service provider need not be adversely affected by the recommendation of controls to be applied in developing systems and procedures under its review nor lending its technical assistance to the Management in systematic analysis of operations or activities.

7. OBJECTIVES AND SCOPE OF WORK

- 7.1 The scope of the IA Function generally encompasses examining and evaluating the adequacy and effectiveness of the system of internal control and the quality of operating performance of the company against established standards or policies and procedures in carrying out assigned responsibilities.
- 7.2 The detailed scope of works for each individual auditable area shall be documented in the IA Plan to be approved by the ARMC.
- 7.3 The audit shall be conducted in such a manner as the IA Function considers necessary to fulfill its responsibilities and will include such tests of transactions and of the existence, ownership and valuation of assets and liabilities.
- 7.4 The nature and extent of audit tests shall vary according to the assessment of the accounting system of the Company's auditable area, its system of internal controls and any other aspect of the business operations.
- 7.5 The IA Function shall report any significant weaknesses noted or observed in the system of the Company's auditable area and which it considers necessary to be brought to the attention of the ARMC and the Board.
- 7.6 The responsibility for the prevention and detection of irregularities and fraud rests with the operating management. However, the IA Function shall endeavour to plan its audit so that it has a reasonable expectation of detecting material misstatements in accounting and operational records resulting from irregularities or fraud, but its examination should not be relied upon to disclose irregularities and frauds which may exist.
- 7.7 Upon the approval of the ARMC, the Internal Auditors conduct regular review and/or appraisal of the effectiveness of risk management, internal control and governance processes within the Group.
- 7.8 The Internal Auditors may conduct evaluation on specific operations/matters, upon the request of the ARMC.

8. ADMINISTRATION OF IA FUNCTION

The ARMC is responsible for the administration of this IA Charter.

8.1 Professionalism

The ARMC expects the Head of IA Function or the appointed IA service provider will govern itself by adherence to the Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (ISPPIA). This mandatory guidance constitutes principles of

the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the IA activity's performance.

8.2 Internal Audit Plan

At least annually the Head of IA Function or the lead engagement partner or his representative of the IA service provider is expected to table an IA Plan for review and approval of the ARMC.

The IA plan shall consist of a work schedule as well as budget and resource requirements for the next calendar year/ applicable financial year(s). The IA Plan shall be developed based on prioritisation of the audit universe using a risk-based methodology, including input of senior management and the ARMC. Any significant deviation from the approved IA Plan shall be communicated to senior management and the ARMC through periodic activity/ progress reports.

The Head of IA Function or the appointed IA service provider is expected to communicate the impact of resource limitation and/or significant interim changes to senior management and the ARMC.

8.3 Reporting and Monitoring

A written report will be prepared and issued by the Head of IA Function or the appointed IA service provider following the conclusion of each IA engagement and shall be distributed as appropriate. The IA results shall also be communicated to the ARMC.

The IA Report may include the Management's response and corrective action taken or to be taken in regard to the specific findings and recommendations. The Management's response, whether included within the original audit report or provided thereafter by the Management of the audited area should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.

The Head of IA Function or the appointed IA service provider shall be held responsible for appropriate follow-up on engagement findings and recommendations. All significant findings shall remain in an open issues file until cleared or agreed to be closed by the ARMC.

8.4 Annual Performance Assessment

As guided by Guidance 11.1 of the MCCG, the ARMC shall perform an annual assessment on the performance of the Head of IA Function or the appointed IA service provider in fulfilling the duties and responsibilities of the IA Function.

Assessment Criteria

In evaluating the performance of the IA Function, the ARMC shall satisfy itself that:-

- (i) The person responsible for the IA has the relevant experience, sufficient standing, authority to enable him to discharge his function effectively;

- (ii) The IA has sufficient resources and free and unrestricted access to all personnel and information to enable it to carry out its role effectively;
- (iii) The personnel assigned to undertake IA have the necessary competency, experience and resources to carry out the function effectively;
- (iv) Declaration of Independence – whether IA personnel are free from any relationships or conflict of interest, which could impair their objectivity and independence; and
- (v) Whether the IA Function is carried out in accordance with a recognised framework.

Upon completion, the ARMC shall communicate the results of its evaluation to the Board in order for the Board to make the appropriate disclosure as required under Practice 11.2 of the MCCG accordingly.

9. OVERSIGHT FUNCTIONS OF THE ARMC IN RELATION TO IA FUNCTION

The oversight functions of the ARMC are as follows:-

- (i) Review the adequacy of the scope, functions and resources of the IA function, and that it has the necessary authority to carry out its work;
- (ii) Review and approve a timely, risk based and agile annual audit plan and budgets;
- (iii) Review the IA programmes and results of the IA process and where necessary, ensure that appropriate action is taken on the recommendations of the IA function;
- (iv) Approve any appointments or termination and the remuneration of Head of IA Function and senior level of the IA function; and
- (v) Inform itself of resignations of Internal Auditors and provide the resigning Internal Auditors or IA service provider an opportunity to submit his reasons for resigning.

10. QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

The IA Function will maintain a quality assurance and improvement programme that covers all aspects of the IA activity.

The programme will include an evaluation of the IA Function's conformance with the Definition of Internal Auditing and the ISPPIA and evaluation of whether the Internal Auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the IA Function and identifies opportunities for improvement.

The Head of IA Function shall report periodically the competency of IA Function and the results of its quality assurance and improvement programme to the ARMC.

11. REVIEW OF IA CHARTER

The ARMC shall review regularly and assess the appropriateness of the IA Charter. Any requirement for amendment shall be deliberated by the ARMC and any recommendation for revisions shall be highlighted to the Board for approval.

12. REVISION OF IA CHARTER

The provisions of this IA Charter can be amended and supplemented from time to time as recommended by the ARMC to the Board for consideration and approval.

13. EFFECTIVE DATE

This IA Charter is effective from 19 September 2023.

History:-

Document No.	Version No.	Board's Approval Date	Effective Date
GO-013	1.0	19 September 2023	19 September 2023

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