

# SUNVIEW GROUP BERHAD

Registration No.: 202101019497 (1419797-M)

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

### 1. COMPOSITION

- i. The Audit and Risk Management Committee of Sunview Group Berhad (“Sunview” or “the Company”) (“ARMC” or “Committee”) shall be appointed by the Board of Directors of the Company (“Board”) from among its members and shall comprise no fewer than three (3) members whereby all members must be Non-Executive Directors and financially literate with a majority of them being Independent and Non-Executive Directors (“Independent Director”), and at least one (1) member of the Committee:-
  - a. must be a member of the Malaysian Institute of Accountants; or
  - b. if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years working experience and:-
    - o he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
    - o he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
  - c. fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad (“Bursa Securities”).
- ii. No alternate Director shall be appointed as a member of the Committee.
- iii. The Committee shall elect a Chairman from among its members who shall be an Independent Director.
- iv. The former partner of the external audit firm of the Company, if any, shall observe a cooling-off period of at least three (3) years before being eligible to be appointed as a member of the Committee.
- v. In the event, the elected Chairman is not able to attend a meeting, the remaining members present shall elect one of themselves as Chairman for the meeting. The elected Chairman shall be an Independent Director.
- v. In the event of any vacancy in an ARMC member resulting in non-compliance with paragraph 1(i) above, the Board shall fill the vacancy within three (3) months.
- vi. The Nomination Committee shall review the term of office and performance of the Committee and each of its members annually to determine whether the ARMC and its members have carried out their duties in accordance with the Terms of Reference.

## **2. MEETINGS**

### **i. Frequency of meetings**

- a. Meetings shall be held no fewer than four (4) times a year. However, additional meetings may be called at any time depending on the scope of activities of the Committee. In the event issues requiring the Committee's decision arise between meetings, such issues may be resolved through written resolutions of the Committee. Such written resolution in writing shall be valid and effectual if it is signed or approved by letter, facsimile or any electronic means by all members of the Committee.
- b. Upon the request of the external auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matters the external auditors believe should be brought to the attention of the Directors or Shareholders.
- c. The Chief Financial Officer/Head of Finance and a representative of the internal and external auditors respectively should normally attend meetings. Other Board members and senior management may be invited to attend meetings.
- d. The Committee shall meet with the external auditors without the presence of the Executive Board members and employees whenever deemed necessary.
- e. Prior notice shall be given for all meetings.

### **ii. Quorum**

The quorum for the meeting is two (2) members of the Committee, a majority of members present must be Independent Directors.

### **iii. Secretary**

The Company Secretary shall be the secretary of the Committee. The Secretary shall circulate the notice and minutes of the Committee to all members of the Committee.

### **iv. Minutes of the Committee Meeting**

Every meeting of the Committee must be minuted either by the Company Secretary or any other person approved by the Committee and such minutes must be confirmed by the Committee at the next succeeding Committee meeting.

The Minutes of each meeting signed by the Chairman of that meeting or by the Chairman of the next succeeding meeting shall be evidence of the proceedings that the meeting was duly convened and held.

### 3. FUNCTIONS

The functions of the Committee are as follows:-

#### External Auditors

- i. To consider any matters concerning the appointment and re-appointment, the audit and non-audit fees and any questions of resignation or dismissal of external auditors and further ensure the suitability, objectivity and independence of external auditors.
- ii. To review with the external auditors:
  - a. their audit plan, scope and nature of the audit of the Company and its subsidiaries ("Group");
  - b. their evaluation and findings of the system of internal controls;
  - c. any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Company's and the Group's operating results or financial position, and Management's response;
  - d. the assistance provided by the employees of the Company to assist the external auditors in the course of audit;
  - e. their audit reports and key audit matters;
  - f. the management letter and management's response with regard to problems and reservations arising from their audits; and
  - g. any other matters that the external auditors may wish to discuss (in the absence of management where necessary).
- iii. To review the assistance given by the management and employees of the Group to the external auditors.
- iv. To review any letter of resignation from the external auditors of the Company.
- v. To review whether there is a reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment.
- vi. To recommend the nomination of a person or persons as external auditors of the Company.

**Internal Audit Function**

- i. 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 Committee. The internal auditors must have the relevant qualification and experience, independent from the management of the Group, and be responsible for providing assurance to the Committee that the internal controls are operating effectively.
- ii. To review the internal audit plan, processes, the results of internal audit assessments, investigations undertaken and, whether or not appropriate action is taken before recommendations are made.
- iii. To review the adequacy and effectiveness of the Group's internal control systems, Risk Management framework, anti-corruption and whistle-blowing and sustainability reporting as evaluated, identified and reported by the Management, internal or external auditors as well as to review whether actions taken to ratify the same are appropriate or timely.

**Financial Reporting**

- i. To review the quarterly and year-end financial statements of the Group before the approval by the Board of Directors, focusing particularly on:-
  - a. Key risks areas;
  - b. any changes in or implementation of major accounting policy changes;
  - c. significant matters highlighted including financial reporting issues, significant adjustments resulting from the audit, a significant judgement made by management, significant and unusual events or transactions and, how these matters are addressed; and
  - d. compliance with accounting standards and other legal requirements.

**Risk Management**

- i. Assisting the Board to effectively discharge its risk oversight responsibilities by monitoring and overseeing the Group's risk management and processes in identifying, evaluating, monitoring and managing significant risks within the Group.
- ii. Reviewing the risk profiles in respective business units and the Group.
- iii. Identifying the key risks faced by the Group and respective business units and major changes and the management action plans to manage the risks.
- iv. Reviewing and assessing the adequacy and effectiveness of the systems of internal control and accounting control procedures and appropriate systems in place to manage and mitigate risks.

**Compliance and Other Matters**

- i. To review the annual evaluation on the performance of the External Auditors, including the suitability, objectivity and independence of the External Auditors which takes into consideration the following:
  - a. the competence, audit quality and resource capacity of the external auditors in relation to the audit;
  - b. the nature and extent of the non-audit services tendered and the appropriateness of the level of fees (if any); and
  - c. written assurance from the external auditors confirming that they are, and have been, independent through the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.
- ii. To review any related party transactions and conflicts of interest situations that may arise within the Company or the Group, including any transactions, procedures or course of conduct that raises doubts about the management integrity or due care.
- iii. To monitor, review and assess the utilisation of proceeds are consistent with the intention presented to investors for any fund raising exercise.
- iv. To undertake such other reviews and projects as may be requested by the Board of Directors, and report to the Board of Directors its findings from time to time on matters arising and requiring the attention of the AC.
- v. To carry out such other functions or assignments as may be delegated by the Board from time to time.
- vi. to oversee the sustainability governance and reporting by ensuring the effective identification, control and reporting of material sustainability matters (i.e. risks and opportunities) which may affect the economic, environmental and social aspects of our Group's businesses in achieving our sustainability goals.

**4. RIGHTS OF THE COMMITTEE**

The Committee is authorised by the Board to investigate any activity within its term of reference at the cost of the Company. The Committee shall have the following rights:-

- i. To secure full and unrestricted access to any information about the Group;
- ii. To communicate directly with the external and internal auditors and all employees of the Group;
- iii. To seek and obtain independent professional advice and to secure the attendance of outsiders with relevant experience and expertise as considers necessary; and

- iv. To convene meetings with the external and internal auditors or both excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

## **5. COMMUNICATION TO THE BOARD**

- i. The minutes of each Committee meeting shall be tabled to the Board for notation.
- ii. The Committee may from time to time submit to the Board its recommendation on matters within its purview for the Board's decision.
- iii. Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the ACE Market Listing Requirements of Bursa Securities, the Committee must promptly report such matter to Bursa Securities.

## **6. GENERAL MEETINGS**

The Chairman of the Committee should attend the general meetings of the Company to answer any questions relating to the Committee's activities.

*This Terms of Reference (Version No. 1) was reviewed and adopted by the Board of Sunview on 28 December 2021.*