ARVEX BERHAD
[Registration No. 202501045449 (1646857-P)]

TERMS OF REFERENCE OF AUDIT COMMITTEE

1.0 COMPOSITION

1.1 The Audit Committee ("AC") shall be appointed by the Board from amongst the Non-Executive Directors of the Company and shall consist of not fewer than 3 members of whom:-

a) majority of the AC must be Independent Directors;
b) are financially literate and at least one member of the Audit Committee;
   - must be a member of the Malaysian Institute of Accountants; or
   - if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
     i. he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
     ii. he must be a member of one of the association of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967 or
   - fulfils such other requirement as prescribed or approved by the Bursa Malaysia Securities Berhad ("Bursa Securities") from time to time.

1.2 No alternate director shall be appointed as a member of the AC.

1.3 For engagement of a former key audit partner as member of the Committee, there must be a cooling-off period of at least three years before being appointed as a member of the Committee.

1.4 If a member of the AC resigns, passes away or for any other reason ceases to be a member resulting in the number of Independent Directors comprising less than the majority of the members or the members is reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to comply with the requirement that the Independent Directors constitute a majority or to make up the minimum number of three (3) members as the case may be.

1.5 The Board must via Nominating Committee to review the terms of office and the performance of the AC and its members annually to determine whether the AC and members have carried out their duties in accordance with its Terms of Reference.

1.6 The Chairman of the Board should not be a member of the Committee.

1.7 The AC shall comprise solely of independent directors.

2.0 CHAIRMAN

2.1 The Chairman of an AC shall not be the Chairman of the Board. The Chairman of the AC must be an Independent Director. In the absence of the Chairman, the AC shall be chaired by any of the Independent Directors.

2.2 The Chairman should engage on a continuous basis with Senior Management, such as the Chairman of the Board, Managing Director, Chief Financial Officer, Internal Auditors and External Auditors in order to be kept informed of matters affecting the Company.

3.0 QUORUM AND ATTENDANCE

3.1 In order to constitute a quorum, the majority of members present at an AC meeting must be Independent Directors. The Chairman of the committee may request that the Managing Director, Executive Director, members of the management, the Internal Auditors and representatives of the External Auditors be present at the meetings of the Committee.

4.0 MEETINGS

4.1 The Committee shall hold meetings on no fewer than four (4) occasions a year, although additional meetings may be called, as and when necessary by the Chairman of the Committee. These meetings will usually be:-

a) Prior to the announcement of the quarterly results;
b) Prior to the meeting of the full Board to approve the financial statements for the current year; and
c) Upon request of any member of the Committee or the External Auditors/Internal Auditors whereby the Chairman of the Committee shall convene a meeting of the Committee to deliberate matters brought up by the External Auditors/Internal Auditors.

4.2 In addition to the above, the AC shall meet with the External/Internal Auditors without the Executive Board members or members of the management or employees present, whenever deemed necessary.

4.3 By invitation of the AC, the Managing Director, Executive Director and other appropriate officer(s) may be invited to attend the AC, where their presence is considered appropriate as determined by the AC Chairman.

4.4 The Committee meetings shall be governed by the provisions of the Company's Constitution relating to Board meetings unless otherwise provided for in the Term of Reference. The AC may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.

4.5 A member of AC may participate in a meeting of by means of a telephone conference or video conference or any other means of audio-visual

communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

4.6 The notice and agenda for each AC meeting shall be sent to all members of the AC and any other persons who may be required to attend the meeting within seven (7) days.

4.7 The Chairman of the AC shall report to the Board on any matter that should be brought to the Board's attention and provide recommendations of the Committee that require the Board's approval at the Board meeting.

4.8 The Chairman shall submit an annual report to the Board, summarising the Committee's activities during the year and the related significant results and findings thereof, including details of relevant training attended by each Committee member.

4.9 The AC may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A resolution in writing signed by all members in lieu of convening a formal meeting shall be as valid and effectual as it had been passed at a meeting of the AC duly convened and held.

4.10 An AC member shall excuse himself/herself from the meeting during discussion or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for the member. Where this cause insufficient directors to make up a quorum, the AC has the right to appoint another director(s) which meets the membership criteria.

5.0 SECRETARY AND MINUTES OF MEETING

5.1 The Company Secretary shall be the secretary to the AC and shall be present at all meetings to record minutes. Minutes of each meeting shall be prepared and entered into the Minutes Book of the Company provided for the purpose and sent to the AC members and shall be made available to all Board members. The minutes shall be signed by the Chairman of the AC.

5.2 The Secretary shall have the following responsibilities:

5.2.1 Draw up meeting agenda in consultation with the Chairman and circulate the agenda together with the relevant papers within a reasonable period prior to each meeting to enable full and proper consideration be given to issues;
5.2.2 Ensure the minutes are circulating to all members of the AC and make the same available to Board members who are not members of the AC; and
5.2.3 Ensure that the minutes of the AC meetings are properly produced and kept at the registered office of the Company. The minutes shall be open for inspection by the Board. Any request by Management or

other persons to inspect the minutes shall be subjected to the approval of the AC for inspection if required.

6.0 AUTHORITY

6.1 The AC shall, whenever necessary and reasonable for the Company to perform its duties, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

6.1.1 have the authority to investigation any matter within its terms of reference;
6.1.2 have the resources which are required to perform its duties;
6.1.3 have full and unrestricted access to any information including records, properties and personnel within the Group;
6.1.4 have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity (if any);
6.1.5 be able to obtain internal and external independent professional advice to assist in proper discharge of its roles and responsibilities or other advice, as it deems necessary;
6.1.6 be able to convene meetings with the External/Internal Auditors, excluding the attendance of the Executive Board members or members of the management or employees, at least twice a year and whenever deemed necessary.
6.1.7 promptly report to Bursa Securities or such other name(s) as may be adopted by Bursa Securities, matters which have not been satisfactorily resolved by the Board of Directors resulting in a breach of the listing requirements; and
6.1.8 have the right to pass resolutions by a simple majority vote from the AC and that the Chairman shall have the casting vote should a tie arise.

7.0 RESPONSIBILITIES OF THE AUDIT COMMITTEE

7.1 The responsibilities of the AC are:

7.1.1 is fully informed about significant matters related to the Company's audit and its financial statements and addresses these matters;
7.1.2 appropriately communicates its insights, views and concerns about relevant transactions and events to internal and external auditors;
7.1.3 to serve as a focal point for communication between non-audit committee directors, the External Auditors, Internal Auditors and the Management and ensure that there is co-ordination between internal and external auditors;
7.1.4 to assist the Board in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Group and the sufficiency of auditing relative thereto;

7.1.5 to assist the Board in assuring the independence of the Company's External Auditors, the integrity of Management, the adequacy of disclosures to shareholders, and the adequacy of internal controls; and

7.1.6 to assist the Board to ensure effective management of risks.

8.0 DUTIES AND FUNCTIONS OF THE AUDIT COMMITTEE

8.1 Financial Reporting and Compliance

8.1.1 to review the quarterly results and annual financial statements, prior to the approval by the Board, focusing particularly on:

a) any changes in or implementation of any accounting policies and practices;

b) significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions and how these matters are being addressed;

c) going concern assumptions; and

d) compliance with applicable accounting standards and other legal requirements.

8.1.2 to discuss problems and reservations arising from the interim and final audits, and any matters the External/Internal Auditors may wish to discuss (in the absence of Management where necessary);

8.1.3 to review with the External Auditors, their management letter and management's response;

8.2 Evaluate the internal and external audit processes and outcomes

8.2.1 Review with the external auditors on their audit plan, their evaluation of the system of internal controls, audit report, problems and reservations arising from the interim and final audits, the Management letter and Management’s response and the adequacy of assistance given by the Group’s employees.

8.2.2 Review any letter of resignation from the external auditors and report the same to the Board.

8.2.3 Review whether there is any reason that the external auditor is not suitable for reappointment and make the relevant recommendation to the Board.

8.2.4 Recommend the nomination of a person or persons as external auditors, including matters related to audit fees. In considering the appointment or re-appointment of the external auditors; to consider among others:-

i) the adequacy of the experience and resources of the accounting firm;

ii) the persons assigned to the audit;

iii) the accounting firm’s audit engagements;

iv) the size and complexity of the Group being audited;

v) the number and experience of supervisory and professional staff assigned to the particular audit;

vi) the appropriateness of audit fees to support a quality audit;
vii) results of recent inspections on the firm by the Audit Oversight Board, the Malaysian Institute of Accountants ("MIA") or other regulatory bodies, if any;
viii) the information presented in the Annual Transparency Report or, in the event the audit firm is not required to issue an Annual Transparency Report, to engage the audit firm on matters typically covered in an Annual Transparency Report of the audit firm; and

8.2.5 Ensure the proper policies and procedures are established and to assess the suitability and independence of external auditors, including obtaining written assurance from external auditors confirming they are and have been independent throughout the conduct of audit engagement in accordance with the terms of reference of all relevant professional and regulatory requirements.

8.2.6 Ensure the external auditors able to meet the deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan.

8.2.7 Ensure the competence, audit quality and resource capacity of the external auditors in relation to the audit.

8.2.8 Consider any concerns raised by external auditors in respect of breach or non-performance of any requirement or rules that may materially affect the financial position of the Company.

8.2.9 Review non-audit services which may be provided by the external auditors (e.g. contract and nature) and the fee for such service. The non-audit services to be approved by the AC before they are rendered by the external auditors and its affiliates while taking into account the nature and extent of the non-audit services and the appropriateness of the level of fees. In the event that the non-audit fees paid to the external auditors are significant (e.g. constitute 50% of the total amount of audit fees paid to the external auditors), the Company is required to state the details on to the nature of non-audit services rendered in the Committee Report.

8.2.10 The Board has approved the Non-Assurance Pre-Approval Policy for non-assurance services provided by the external auditors whereby permissible non-assurance services provided by the external auditors and its affiliates will be pre-approved for the entities within the corporate structure of the Group.

8.2.11 In respect of the Group's internal audit function (provided by a internal audit service provider), to undertake the following and reports directly to the AC:

i) review the adequacy of the scope, functions, competency and resources of the internal audit functions, and that it has the necessary authority to carry out its work;
ii) review the internal audit program, processes, the results of the internal audit program, processes or investigation undertaken and where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;
iii) review the effectiveness of the Group's internal audit function and make recommendations necessary for the improvement of the internal audit function;

iv) review any appraisal or assessment of the performance of members (or the audit firm as the case may be) of the internal audit function;

v) to approve any appointment or termination of senior staff members (or the audit firm as the case may be) of the internal audit function; and

vi) to note resignation of internal audit staff members (or the audit firm as the case may be) and provide the resigning staff member (or the audit firm as the case may be) an opportunity to submit his reasons for resigning.

vii) to ensure the internal audit function is independent of the activities it audits and the head of internal audit reports directly to the AC. The head of internal audit should have the relevant qualifications and be responsible for providing assurance to the AC that the internal controls are operating effectively. The head of internal audit will be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control, and governance processes within the Company.

viii) ensure appropriate internal audit function which helps to accomplish the Company's goals by bringing an objective and disciplined approach to evaluate and improve the effectiveness of risk management, internal control, anti-corruption, whistleblowing and governance processes. This function serves as an important source of advice for the AC and the Board concerning areas of weaknesses or deficiencies in internal processes to facilitate appropriate remedial measures by the Company.

8.3 To do the following in relation to the risk management:

8.3.1. to review the adequacy of risk management and receive reports from the internal auditors and external auditors on the effectiveness of controls in each major risk area; and

8.3.2. to comment annually on the effectiveness of risk management activity in the Group on the basis of audit received and the annual report from the Management.

8.4 Review conflict of interest situations and related party transactions (including recurrent related party transactions)

8.4.1 Review and report to the Board any related party transaction 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 management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts;

8.4.2 Review and report to the Board any related party transactions entered into by the Group including the review and monitoring of recurrent related party transactions to ensure that:

i) All transactions are fair, reasonable and undertaken on the Group's normal commercial terms.

ii) Internal control procedures with regard to such transactions are sufficient and have been complied with.

iii) Compliance with the relevant provisions of the ACE Market Listing Requirements of Bursa Securities.

8.4.3 Ensure that the Group has adequate procedures and processes in place to monitor and track related party transactions and to review these processes.

8.5 Others such as the followings:

8.5.1 Review the Company's Annual Report including approving the Statement on Risk Management and Internal Control, the Statement on Corporate Governance and other statements related to strategy, financials and performance for inclusion in the Annual Report and recommend to the Board for approval.

8.5.2 Prepare an AC Report at the end of the financial year for inclusion in the Annual Report pursuant to ACE Market Listing Requirements of Bursa Securities.

8.5.3 To consider the major findings of internal investigation and management's response; and

8.5.4 To consider other topics as defined by the Board.

9.0 GENERAL

9.1 The AC in carrying out its tasks under these terms of reference may obtain such external or other independent professional advice as it considers necessary to carry out its duties.

9.2 The Board will ensure that the AC will have access to professional advice both internally and externally at the Company's expense in order for it to perform its duties.

9.3 The Terms of Reference may from time to time be amended or as and when required, subject to the approval of the Board.

10.0 REVISION OF THE TERMS OF REFERENCE

10.1 Any revision or amendment to the Terms of Reference, as proposed by the AC or any third party, shall first to be presented to the Board for its approval.

10.2 Upon the Board's approval, the said revision or amendment shall form part of the Terms of Reference and the Terms of Reference shall be considered duly revised or amended.

ARVEX BERHAD
[Registration No. 202501045449 (1646857-P)]

The Terms of Reference of Audit Committee has been approved and adopted by the Board on 28 August 2026.