

GLOBETRONICS TECHNOLOGY BHD.

Registration No. 199601037932 (410285-W)

TERMS OF REFERENCE OF AUDIT AND RISK MANAGEMENT COMMITTEE (“ARMC” OR THE “COMMITTEE”)

1. Objectives

The primary objectives of ARMC is to assist the Board of Directors (“Board”) in the integrity of financial reporting and compliance with the relevant financial reporting standards, related party transactions, conflict of interest situations and audit which include, but not limited to, assessing the effectiveness of the risk management framework and internal control, evaluation of external auditors and assessing the independence of external and internal auditors.

2. Composition of members

- The ARMC Members shall consist of at least three (3) members appointed by the Board from amongst the Directors of whom all the members of the ARMC are Non-Executive Directors with a majority of them being independent directors.
- The Chairman of the Board shall not be a member of ARMC.
- Where the members for any reason are reduced to less than three (3), that Board shall within three (3) months of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.
- All members shall hold office only for so long as they serve as directors of the Company.
- All members of the ARMC should be financially literate and have the ability to:
 - ❖ read and understand financial statements, including a company’s statement of financial position, statement of comprehensive income, and cash flow statement;
 - ❖ analyse financial statements and ask pertinent questions about the company’s operations against internal controls and risk factors; and
 - ❖ understand and interpret the application of approved accounting standards and other related requirements.
- All members shall undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.
- At least one member of the ARMC must be a member of the Malaysian Institute of Accountants (MIA); or shall fulfil such other requirements as prescribed in the Listing Requirements of Bursa Malaysia.
- No alternate Director shall be appointed as a member of the ARMC.
- An audit partner whom has served the Group would have to observe a cooling-off period of three (3) years prior to being appointed as a member of ARMC.

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3. Chairman

The Chairman of ARMC, who is an independent director shall be elected from amongst the ARMC members. The Chairman of the Committee shall be approved by the Board and shall be responsible for ensuring the overall effectiveness and independence of the Committee.

4. Meetings

- The ARMC will hold a minimum of four (4) meetings a year, although additional meetings may be called at any time at the ARMC Chairman’s discretion or if requested by any ARMC member, the management, and the internal or external auditors.
- The ARMC members shall meet with the external auditors at least twice a year, without any executive Board members or officers present.
- The Executive Chairman, Chief Financial Officer, Internal Auditor and a representative of the external auditors (if required) may attend ARMC meetings. The senior management team may attend meetings upon the invitation of the ARMC to provide detailed explanation and clarification on matters that have been tabled.
- In the absence of the Chairman, the members present can elect from amongst themselves as the Chairman for the meeting.
- A member of ARMC may participate in a meeting 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.
- A member of the ARMC shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him/her.
- Minutes of meeting shall be kept and circulated to each member. The Company Secretary or any Officer appointed by the Committee for this purpose shall act as the Secretary of the Committee.
- The Chairman of the ARMC or appointed person by the Chairman of ARMC shall report to the Board on any matter that should be brought to the Board’s attention, and provide the recommendations of the ARMC that require the Board’s approval.

5. Quorum

The quorum for each meeting shall be at least two thirds (2/3) of the members with independent directors forming the majority.

6. Authority

The Committee is authorised by the Board to review, recommend and approve any matters within its Terms of Reference. The Committee shall have:

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- Authority to investigate any matter within its terms of reference;
- The resources which are required to perform its duties;
- Full and unrestricted access to any records, information, property and personnel of the Company;
- Direct communication channels with the external and internal auditors;
- Access to independent professional or other advice; and
- Authority to convene meetings with the external auditors, excluding the attendance of the executive Board members or officers, where deemed necessary.

7. Duties and Responsibilities

- Oversight of Financial Reporting
 - ❖ review the unaudited quarterly results for the Group focusing on the below, prior to the approval by the Board:
 - i. Any changes in or implementation of major accounting policies and practices;
 - ii. Significant and unusual events;
 - iii. The going concern assumptions; and
 - iv. Compliance with approved accounting standards, Main Market Listing Requirements of Bursa Malaysia and other regulatory/legal requirements.
 - ❖ Propose best practices on disclosure in financial results and annual report of the Company in line with the principles set out in the Malaysian Code on Corporate Governance, other applicable laws, rules, directives and guideline.
 - ❖ Assess the finance function of the Group whether it has the appropriate skilled staff and resources needed to perform the financial reporting processes.
 - ❖ Review the annual audited financial statements of the Company/ Group and thereafter submit them to the Board for approval, focusing particularly on:
 - i. Any significant changes in accounting policies and practices;
 - ii. Significant adjustments arising from the audit
 - iii. The going concern assumption;
 - iv. Significant and unusual events; and
 - v. Compliance with accounting standards and other legal requirements
- Review of Related Parties Transactions and Conflict of Interest Situations

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Review all related party transactions and the Company’s procedures for monitoring and reviewing of related party transactions to satisfy itself that the procedures were sufficient to ensure that the related party transactions were not prejudicial to the interests of the company or its nonmajor/substantial shareholders.

Review conflicts of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity, and conduct the necessary assessment and inquiry when warranted, as part of the process in the review of conflict of interest matters.

- **Internal Audit**

- ❖ Review and approve the internal audit plan;
- ❖ Review the internal audit reports, discuss major findings and management’s response and ensure appropriate action is taken on the recommendations on a timely basis;
- ❖ Review and report the adequacy of the scope, functions and resources of the internal audit function and that it had the necessary authority to carry out its duties; and
- ❖ Evaluate performance of the internal audit function and approve any appointment or termination of the internal audit staff.

- **External Audit**

- ❖ Review with the external auditors, the audit plan, scope of the audit and the areas of audit of the Company/Group;
- ❖ Review with the external auditors, their evaluation of the system of internal controls and audit findings;
- ❖ Discuss problems and reservations arising from the audit, and any other matters the auditors may wish to discuss;
- ❖ Review the auditors’ report with the external auditors;
- ❖ Review and reported the assistance given by the Company’s/ Group’s Officers to the external auditors and the overall conduct of the audit;
- ❖ Assess the independence of the external auditors;
- ❖ Review non-audit fees and obtain written assurance from external auditors stating their independence in the audit; and
- ❖ Review the suitability of the external auditors for recommendation to the Board for reappointment and the audit fee thereof.

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- Risk Management
 - ❖ Review the risk profile of the Group (including risk registers) and the Risk Management team’s plans to manage and/or mitigate business risks as identified from time to time;
 - ❖ Review and assess the adequacy of the governing policies, framework and structure in place for managing risks including corruption risk as well as the extent to which these are operating effectively; and
 - ❖ Review the management’s reports on risk management activities, risk exposure and risk mitigating actions including corruption risk and anti-corruption mitigating measures.
- Review the Audit and Risk Management Committee Report, Statement on Risk Management and Internal Control and Corporate Governance Overview Statement before submitting for Board’s approval and inclusion in the Annual Report;
- Reviewed any whistleblowing cases and management responses and resolutions;
- Act in line with the directions of the Board; and
- Consider and examine such other matters as the ARMC considers appropriate.

8. Review of ARMC

- The ARMC shall perform a self-assessment annually to assess its effectiveness in carrying out the duties as set out in the Terms of Reference in line with the directions of the Board; and
- The Board shall review the composition, performance and effectiveness of the ARMC and each of its members annually to determine the effectiveness of the ARMC and each of its members in carrying out the duties as set out in the Terms of Reference.

9. Circular Resolution

A resolution in writing signed or approved by letter, telex, telefax or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as “Audit and Risk Management Committee Members’ Circular Resolutions” and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one or more directors.

10. Revision of Terms of Reference

The ARMC shall review and update the terms of reference periodically taking into consideration the needs of the Group as well as any development in rules and regulations that may have an impact on the discharge of the Committee’s duties and responsibilities.

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Any revision or amendment to the terms of reference, as proposed by the Committee shall be presented to the Board for its approval.

11. Approval

This Terms of Reference was reviewed and approved by the Board of Directors on 26 August 2026.