# PANTECH GLOBAL BERHAD

Registration No. 202401009555 (1555405-U)
(Incorporated in Malaysia)

# AUDIT AND RISK MANAGEMENT COMMITTEE TERMS OF REFERENCE

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| Version 3 | Updated on 21 October 2026 |

## 1.0 CONSTITUTION AND PURPOSE

1.1 The Audit and Risk Management Committee ("**ARMC**" or "**Committee**") was formed pursuant to a resolution passed by the Board of Directors ("**Board**") of Pantech Global Berhad ("**Pantech Global**" or "**Company**") on 4 September 2024.

1.2 The ARMC assists the Board in overseeing the financial reporting of the Company and its subsidiaries ("**Group**"), internal and external audit, related party transactions and conflicts of interest, risk management and internal control, and the sustainability-related risks and opportunities ("**SROs**").

## 2.0 MEMBERSHIP

2.1 The ARMC shall be appointed by the Board from among their number and shall be composed of not fewer than three (3) members of whom all must be Non-Executive Directors, with a majority of them being Independent Non-Executive Directors.

2.2 The members of the ARMC shall elect a Chairman who shall be an Independent Non-Executive Director, from among themselves. The Chairman elected shall be subjected to endorsement by the Board.

2.3 If a member of the ARMC resigns, dies or for any other reason ceases to be a member with the results that the number is reduced below three (3), the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

2.4 No alternate Director shall be appointed as a member of the ARMC.

2.5 No former partner of the Company's external audit firm or its affiliate firms shall be appointed as a member of the ARMC before observing a cooling-off period of at least three (3) years.

2.6 At least one member of the Committee:

(a) must be a member of the Malaysian Institute of Accountants; or

(b) if he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least three (3) years' working experience and:

(i) he/she must have passed the examination specified in Part 1 of the 1st Schedule of the Accountants Act, 1967 ("**Act**"); or

(ii) he/she must be a member of one of the associations of accountants specified in Part II of the First Schedule to the Act.

(c) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("**Bursa Securities**").

2.7 The term of office and performance of the Committee and each of its members must be reviewed by the Nomination Committee annually to determine whether the ARMC and members have carried out their duties in accordance with their Terms of Reference.

## 3.0 NOTICE OF MEETING AND ATTENDANCE

3.1 The agenda for ARMC meetings shall be circulated before each meeting to members of the Committee. The Committee may invite the external auditors, the internal auditors, other Directors, any officers of the Company or members of any management committee to attend any of its meetings as it determined. The external auditors shall have the right to appear and be heard at any meeting of the ARMC and shall appear before the Committee when required to do so by the Committee.

3.2 Meetings shall be held at least four (4) times a year with a minimum quorum of two (2) members and the majority of members present shall be Independent Non-Executive Directors. Additional meetings may be called at any time at the discretion of the Committee.

3.3 The Committee shall meet with the external and/or internal auditors without the presence of any executive Board member and management staffs as and when deems fit. Upon the request of the external auditors, the Chairman of the Committee shall convene a meeting to consider any matter which the external auditors believe should be brought to the attention to the Board or shareholders.

3.4 The Company Secretary of the Company shall be the Secretary of the Committee.

## 4.0 AUTHORITY

The Committee shall, in accordance with a procedure to be determined by the Board and at the cost of the Company:

(a) have authority to investigate any matter within its Terms of Reference;

(b) have adequate resources and unrestricted access to any information from both internal and external auditors and all employees of the Group in performing its duties;

(c) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

(d) be able to obtain external legal or other independent professional advice and to invite outsiders with relevant experience to attend, if necessary; and

(e) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

## 5.0 DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee shall include:

(a) To review the effectiveness of the internal audit function, in particular:

(i) To ensure the internal audit function is well placed to undertake review or investigation on behalf of the Committee and be placed under the direct authority and supervision of the Committee;

(ii) To review the adequacy of the internal audit scope, internal audit plan, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;

(iii) To review the results of the internal audit processes and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;

(iv) To evaluate the performance and decide on the remuneration package of the Group Internal Auditor. In the case of an outsourced internal audit function, to assess the performance and approve the fees of the service provider, as applicable; and

(v) To approve the appointment, transfer or dismissal of the Group Internal Auditor and to be informed of the resignation of any Department Head in the Group Internal Audit Division, providing the resigning staff member an opportunity to submit his/her reasons for resigning. In the case of an outsourced internal audit function, to approve the engagement, renewal or termination of the services provider.

(b) To review the effectiveness of external auditors, in particular:

(i) To consider the appointment of external auditors, their remuneration and matters of resignation or dismissal;

(ii) To review the external auditors' scope of work, audit plan and audit report;

(iii) To assess objectivity, performance and independence of external auditors;

(iv) To approve the provision of non-audit services by the external auditors, evaluating whether such non-audit services would impair their independence;

(v) To ensure that there are proper checks and balances in place so that the provision of non-audit services does not interfere with the exercise of independent judgment of the auditors;

(vi) To ensure that the financial statements are prepared in a timely and accurate manner;

(vii) To discuss problems and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss (in the absence of management where necessary);

(viii) To review the external auditors' management letter and management's response;

(ix) To meet with the external auditors at least once a year without the presence of the management or Executive Directors to discuss any key concerns and obtain feedback; and

(x) To monitor compliance with the audit partner rotation and cooling-off requirements under the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants, including the time-on period of (7) cumulative years and the cooling-off period of five (5) consecutive years for the audit engagement partner, and to obtain written confirmation from the external auditors with the said By-Laws.

(c) To review the quarterly results and annual financial statements of the Group, prior to their submission for consideration and approval by the Board, focusing particularly on:

(i) changes in or implementation of major new or revised accounting policies;

(ii) significant and unusual events; and

(iii) compliance with accounting standards and other legal and regulatory requirements.

(d) To oversee any conflict of interest or potential conflict of interest situations that may arise within the company or group including any transaction, procedure or course of conduct that raises questions of management integrity. In the case where a conflict involves the Chairman of the Board, the matter shall be escalated to the Senior Independent Non-Executive Director for further deliberation.

(e) To oversee an annual review of conflict of interest declarations by Directors and key management personnel, to ensure ongoing transparency and accountability.

(f) To review the related party transactions, in accordance with the Related Party Transactions Policy, ensuring such transactions are carried out at arm's length, on fair and reasonable commercial terms, and in the best interest of the Group. Where required, to recommend such transactions to the Board for approval.

(g) To review the Group's anti-corruption procedures and ensure their effectiveness for handling allegations from whistleblowers.

(h) To ensure that a summary of any conflict of interest or potential conflict of interest situation (excluding a related party transaction) and the measures taken to resolve, eliminate or mitigate such conflicts, for inclusion in the Annual Report for the relevant financial year and report the same to the Board.

(i) Risk Management and Internal Control:

(i) to review and approve the risk management policies and procedures of the Group;

(ii) to review the principal risks of the Group and recommend and ensure the implementation of an appropriate risk management framework and policies for the Group to mitigate/manage such risks;

(iii) to review and deliberate on reports on significant risk findings and recommendations;

(iv) to determine the level of risk tolerance to safeguard the shareholders' investments and the Group's assets;

(v) to conduct an annual review and periodic testing of the Group's internal control and risk management;

(vi) to review the ARMC's reporting and the statement with regard to the state of internal controls and risk management of the Group for inclusion in the Annual Report for the relevant financial year and report the same to the Board;

(vii) To review the Group's SROs, the reports of the Sustainability Management Committee ("SMC") and the Sustainability Statement before it is submitted to the Board for approval.

## 6.0 REPORTING

6.1 The Chairman of the ARMC shall, at the conclusion of each meeting, report to the Board on activities that it had undertaken and key recommendations for the Board's consideration and approval as well as follow-up status on any key recommendations from previous internal audits.

6.2 Where the ARMC is of the view that a matter reported to the Board has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Securities, the ARMC shall promptly report such matter to Bursa Securities.

## 7.0 RESOLUTION IN WRITING

7.1 A resolution in writing signed or approved by electronic mail or any form of electronic approval or electronic signature via software, electronic devices or other means of communication or devices 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. Such resolutions shall be forwarded or otherwise delivered to the Company Secretary 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 (1) or more members.

## 8.0 REVIEW OF THE TERMS OF REFERENCE

8.1 The ARMC shall recommend any changes to its Terms of Reference in such manner as the ARMC deems appropriate to the Board for approval.

8.2 The Terms of Reference shall be assessed, reviewed and updated where necessary i.e. when there are any changes to the Malaysian Code on Corporate Governance, Listing Requirements, the IFRS Sustainability Disclosure Standards, the NSRF, sustainability disclosure standards issued by the Malaysian Accounting Standards Board or any other regulatory requirements. It shall also be reviewed and updated when there are any changes to the direction or strategies of the Group that may affect the ARMC's role.

This ARMC Terms of Reference was adopted by the Board on 12 December 2024 and last updated on 21 October 2026.