

## SAPURA INDUSTRIAL BERHAD

### TERMS OF REFERENCE OF THE BOARD AUDIT & RISK COMMITTEE

<b>A. Purpose</b>	<p>The Board Audit &amp; Risk Committee (“the Committee”) is established as a committee of Sapura Industrial Berhad’s (“SIB”) Board of Directors (“the Board”).</p> <p>The Committee supports the Board with the following primary objectives:</p> <ul style="list-style-type: none"><li>a. To assist the Board in fulfilling its statutory and fiduciary responsibilities of monitoring Sapura Industrial Berhad Group of companies’ (“the Group”) management of financial risk processes, and accounting and financial reporting practices;</li><li>b. To review the Group’s business processes, the quality of the Group accounting function, financial reporting and the system of internal controls;</li><li>c. To enhance the independence of both the external and internal audit functions by providing direction and oversight of these functions on behalf of the Board;</li><li>d. To review and recommend the Group’s sustainability strategy and goals towards integration of sustainability consideration into the Group’s corporate strategies, priorities and targets, governance and decision-making;</li><li>e. Ensure oversight of the implementation of the Group’s sustainability policy and material issues pertaining to sustainability;</li><li>f. Oversee monitoring and reporting of key sustainability metrics of the Group; and</li><li>g. Guide Management in recommendation on sustainability strategy and plans for the Group.</li></ul>
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<b>B. Composition</b>	<p>The Board Audit &amp; Risk Committee (“the Committee”) shall comprise at least three (3) non-executive directors, the majority of which shall be independent directors.</p> <p>At least one (1) member of the Committee: -</p> <ul style="list-style-type: none"><li>a. must be a member of the Malaysian Institute of Accountants (“MIA”); or</li><li>b. if not a member of the MIA, must have at least three (3) years of working experience; and<ul style="list-style-type: none"><li>i. must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or</li><li>ii. must be a member of one of the association of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or</li></ul></li><li>c. fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.</li></ul> <p>The Committee shall be chaired by an Independent Non-Executive Director (“INED”) appointed by the Board of Directors (“the Board”).</p> <p>In the event of any vacancy in the Audit Committee resulting in non-compliance of the provisions of MMLR, the Board shall fill the vacancy within three (3) months.</p>
<b>C. Membership</b>	<p>Members of the Committee shall be appointed for an initial term of three (3) years after which they will be reappointed on such terms as may be determined by the Board.</p> <p>Should a former key audit partner be appointed as a member of the Committee (“the Candidate”), the Candidate is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the Committee.</p>

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<b>D. Authority</b>	<p>The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.</p> <p>The Committee shall have unlimited access to all information and documents relevant to its activities, to the Internal and External Auditors, and to Senior Management of the Company and its subsidiaries. The Committee is also authorised to take such independent professional and legal advice, as it considers necessary.</p>
<b>E. Meetings</b>	<p>The Audit Committee shall hold at least four (4) regular meetings per financial year, and such additional meetings as the chairperson shall decide in order to fulfil its duties and if requested to do so by any Committee member, the Management or the Internal or External Auditors. The Committee may invite any person to be in attendance to assist it in its deliberations.</p> <p>A quorum shall consist of a majority of Independent Committee members and shall not be less than two (2).</p>
<b>F. Decision</b>	<p>Decision of the Committee shall be made on the basis of simple majority agreement by members. In case of equality of votes, the Chairperson of the Committee shall have a second or casting vote.</p> <p>All recommendations of the Committee shall be tabled to the Board for approval.</p> <p>The Committee may also deal with matters by way of written resolution. A resolution in writing signed by all members of the Committee, shall be as valid and effectual as if it had been passed by a meeting of the Committee duly called and constituted. The decision shall be presented at the next subsequent Board meeting, for noting and minutes. The written resolution by electronic means allowed under the Constitution of the Company shall apply to the written resolution of the Committee.</p> <p>A member of the Committee shall abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.</p>

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<b>G. Duties and Responsibilities</b>	<ol style="list-style-type: none"><li>1. Review the adequacy and effectiveness of risk management, internal control and governance system instituted in the Group;</li><li>2. In respect of external audit –<ol style="list-style-type: none"><li>a. Review the appointment, termination and resignation of external auditors and its audit fee, and to make appropriate recommendation to the Board regarding the same as the Committee deems fit;</li><li>b. Review the scope of the external audit and the audit plan;</li><li>c. Review the external auditor’s evaluation of the adequacy and effectiveness of the system of internal control;</li><li>d. Review the external auditor’s report;</li><li>e. Review the performance of the external auditors and to assess the qualification, expertise, resources and effectiveness of the external auditors, including the assessment of external auditors’ objectivity and independence;</li><li>f. Review the assistance given by the Group’s senior management and employees to the external auditors and any difficulties encountered during the course of external audit work, including restrictions on scope of activities or access to required information;</li><li>g. Review the non-audit fees/services provided by the external auditors and to make appropriate recommendation to the Board regarding the same as the Committee deems fit; and</li><li>h. To maintain regular, timely, open and honest communication with the external auditor, and requiring the external auditor to report to the Board and the Committee on significant matters;</li></ol></li><li>3. In respect of internal audit –<ol style="list-style-type: none"><li>a. Review the appointment, termination and resignation of internal auditors and its audit fee;</li><li>b. Review and approve the internal audit scope and audit plan;</li><li>c. Review and assess internal audit reports and ensure that senior management is taking necessary corrective actions in a timely manner to address control weaknesses, non-</li></ol></li></ol>
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	<p>compliance with laws, regulatory requirements, policies and other issues identified by internal auditors; and</p> <p>d. Review the performance of the internal auditors and to assess the qualification, expertise, resources and effectiveness of the internal auditors, including the assessment of internal auditors' objectivity and independence;</p> <p>4. Review of the quarterly and year-end financial statements prior to them being approved by the Board of Directors, focusing particularly on :</p> <p>a. changes in or implementation of major accounting policy changes;</p> <p>b. significant judgments made by management;</p> <p>c. significant and unusual events or transactions; and</p> <p>d. compliance with applicable approved accounting standards and other legal and regulatory requirements;</p> <p>5. Review of any related party transaction and conflict of interest situations that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions with regards to Management's integrity, and the measures taken to resolved, eliminate or mitigate such conflicts;</p> <p>6. Review and recommend for the Board's approval the contents of the Audit Committee's Report and corporate governance disclosures as may be required for inclusion in the Group's annual report;</p> <p>7. Review and recommend for the Board's approval the annual "Statement on Risk Management and Internal Control" for inclusion in the Group's annual report;</p> <p>8. Oversee the development of, and advising the Board on, the Group's sustainability strategy, ensuring that the strategy is effective, aligned with prevailing regulations, good market practices, and the Group's value and culture, and is integrated with the Group's overall strategy and business plans;</p>
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	<ol style="list-style-type: none"><li>9. Monitor the implementation of the Group's sustainability strategy;</li><li>10. Oversee the development of appropriate sustainability goals, targets and key metrics, and advising the Board on the adoption of external commitments related to sustainability;</li><li>11. Monitoring progress against set sustainability goals, targets and key metrics, and the Group's compliance with external sustainability commitments;</li><li>12. Reviewing sustainability-related reporting prior to Board approval, including the annual Sustainability Report, information to be included in the annual report, and other mandatory or voluntary disclosures in line with recommended practices and regulatory requirements;</li><li>13. Reviewing sustainability-related policies; and</li><li>14. Such other responsibilities as may be agreed to by the Audit Committee and the Board of Directors.</li></ol>
<b>H. Secretary</b>	<ol style="list-style-type: none"><li>1. The Secretary of the Committee shall be the Board's Company Secretary or such other persons appointed by the Committee and approved by the Board.</li><li>2. The role and responsibilities of the Secretary is primarily to ensure that the minutes of each meeting shall be kept and distributed to all members of the Committee and make the same available to Board members who are not members of the Committee. The Secretary shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.</li></ol>
<b>I. Terms of Reference</b>	<p>These Terms of Reference of the Committee are determined by the Board and may be revised from time to time with the Board's approval.</p>

**Dated 18 June 2025**