



TURIYA BERHAD

(Registration No. 198001001793 (55576-A))

AUDIT & RISK COMMITTEE

TERMS OF REFERENCE

(Revised 18 June 2025)

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Pursuant to the reorganisation of the former Risk Management & Sustainability Committee (currently known as the Sustainability Committee)

1. INTERPRETATION

For ease of reference:

- 1.1. References to the “*Group*” in these Terms of Reference (“*TOR*”) shall refer to the Turiya Group, consisting of Turiya Berhad and its subsidiaries as may be constituted and held from time to time.
- 1.2. References to the “*Company*” shall refer to Turiya Berhad.
- 1.3. References to the “*Board*” shall refer to the Board of Directors of Turiya Berhad, having Group oversight.
- 1.4. References to the “*Management*” shall refer to the executive management of the Company vis-à-vis the Group, including divisional heads, officers, or personnel responsible for implementing related strategies, policies, and reporting as may be delegated by the Board or its Committees from time to time.

2. MEMBERSHIP

- 2.1. The Audit & Risk Committee (“*Committee*”) shall comprise at least three (3) members, all of whom shall be Non-Executive Directors, with a majority comprising Independent Directors. No alternate Director shall be appointed as a member of the Committee. The appointment of members to the Committee shall be made by the Board upon the recommendation of the Nomination & Remuneration Committee.
- 2.2. At least one (1) member of the Committee must fulfil the financial expertise criteria as prescribed under Paragraph 15.09(1)(c) of Bursa Malaysia’s Listing Requirements, namely:
 - (a) To be a member of the Malaysian Institute of Accountants (MIA); or
 - (b) If not a member of MIA, to have at least three (3) years’ working experience, and has either passed the examination specified in Part I of the First Schedule of the Accountants Act 1967, or is a member of any one of the recognised professional accounting bodies listed in Part II of the said Schedule.
- 2.3. The Chairperson of the Committee shall be elected among the Committee members and shall be an Independent Non-Executive Director. The Chairperson shall not be the Chairperson of the Board, and the nomination of the Chairperson shall be subject to the recommendation of the Nomination & Remuneration Committee and the approval of the Board.
- 2.4. In the event of any vacancy in the Committee resulting in non-compliance with applicable regulatory requirements, the vacancy shall be filled by the Board, on the recommendations of the Nomination & Remuneration Committee, within three (3) months from the date of the vacancy.
- 2.5. If a former audit partner of the Company’s external audit firm is considered for an appointment to

the Committee, such appointment may only take place after the individual has observed a cooling-off period of at least three (3) years from the expiry of their engagement with the Company.

- 2.6. The Board shall review the term of office and performance of the Committee and each of its members at least once every three (3) years to determine whether the Committee has discharged its functions in accordance with its Terms of Reference and applicable regulatory requirements.
- 2.7. Committee members may relinquish their membership in the Committee with prior written notice to the Company Secretary and the Chairperson of the Board, notwithstanding that they may continue to serve as a Director of the Company.
- 2.8. The Board shall have the discretion as it deems fit to rescind or revoke the appointment of any member of the Committee, whensoever changes in the composition of the Board may arise, or where the evolving circumstances of the Group may demand.
- 2.9. The removal of the Chairperson of the Committee shall require the prior review and recommendation of the Nomination & Remuneration Committee of the Company, and the approval of the Board, supported by appropriate justifications. Such removal is intended to be limited to occasions where it is reasonably determined that the Chairperson is no longer able, or willing, to undertake the responsibilities of the role.

3. MEETINGS

- 3.1. Sufficient quorum for a meeting of the Committee shall be two-thirds ($\frac{2}{3}$) of its members, with at least one (1) Independent Director present. A meeting duly convened with quorum in attendance shall constitute a competent and fully empowered Committee, authorised to exercise all duties and powers conferred upon it under these Terms of Reference.
- 3.2. If the Chairperson is, for exigencies whatsoever, not present at a meeting of the Committee, and assuming sufficient majority in attendance, members present shall be authorised to elect any one of their number, who must be an Independent Director, to chair the meeting.
- 3.3. No business shall be transacted unless quorum is present either in person, or by video or telephone conferencing, throughout the proceedings of the meeting.
- 3.4. The Company Secretary shall act as the Secretary of the Committee. The Secretary shall issue and circulate notices of meeting to all Committee members and required attendees, confirming the venue, date, and time of a meeting, at least seven (7) working days prior to each meeting, or within a shorter period where unavoidable.
- 3.5. The Committee members shall meet at least once every quarter in a financial year. Additional meetings may be scheduled as deemed necessary by the Chairperson, or upon request by the internal or external auditors, or any member of the Committee.
- 3.6. The agenda and relevant documents for the consideration of any meeting shall be circulated at least seven (7) working days prior to each meeting, or within a shorter period where unavoidable. Matters to comprise any meeting agenda shall be aligned with the risk priorities, audit responsibilities, and strategic objectives of the Group for the upcoming quarter or relevant financial period.
- 3.7. In the interim period between meetings, if need arises, matters escalated for the Committee's deliberations may be resolved by way of circular resolutions. A circular resolution in writing, setting out the rationale and recommendation, and signed by at least two-thirds ($\frac{2}{3}$) of the Committee

members, shall be valid and effective as if it had been passed at a meeting duly convened and constituted.

- 3.8. The Committee may invite the any non-member Directors, members of the Management, or any employees of Group, to be in attendance during meetings to assist in the Committee's deliberations of any specified agenda item or scheduled matter.
- 3.9. The minutes of each meeting shall be distributed to all the members of the Committee and be approved by either the Chairperson of the meeting wherein the proceedings occurred, or by the Chairperson at the next meeting (assuming not one in the same), and may presented at a following Board meeting for notation where recommendations to the Board comprise such minutes taken.
- 3.10. The minutes of all meetings of the Committee shall be made available for inspection by any member of the Committee or the Board, and for reference by internal and external auditors in the ordinary course of regulatory compliance activities of the Group.

4. RIGHTS OF THE COMMITTEE

The primary role of the Committee is to serve as an efficient forum for ensuring reliable oversight, constructive challenge, and productive communications between the Board, the Company's auditors, and the Management, in the interest of safeguarding shareholder value and maintaining public confidence in the Company's operations, exposures and governance disclosures. Accordingly:

- 4.1. The Committee shall have full and timely access to all records, information, personnel, and properties of the Group, to the extent relevant to the discharge of its duties under these Terms of Reference.
- 4.2. The Committee shall have further access to all necessary resources required to perform its functions effectively, including the authority to communicate directly with the external auditors, internal auditors, and any other persons carrying out internal audit functions or risk-related activities within the Group.
- 4.3. The Committee may, whenever deemed necessary, convene meetings or hold discussions with the external auditors, the internal auditors, or both, excluding the attendance of other Directors, Management, or employees, to facilitate independent deliberation on matters within the Committee's oversight.
- 4.4. The Committee shall have the authority to review the Group's governance practices, risk management controls, and internal processes designed to promote ethical conduct, manage conflicts of interest, and safeguard the integrity of decision-making. This includes oversight of compliance mechanisms and the evaluation of any transactions, relationships, or matters that may present risks to independence, propriety, or the Group's broader risk posture.
- 4.5. The Committee shall have the authority to investigate any matter within the scope of its responsibilities and to obtain independent professional or other external advice, where it considers such action necessary for the proper discharge of its duties. Where such investigations or external engagements are likely to involve material sensitivities, potential reputational risk, or significant financial cost, the Committee shall escalate its intention to the Chairperson of the Board and proceed subject to the Board's approval, or any direction provided therefrom.
- 4.6. To promote informed and balanced decision-making, and to support its oversight of audit, risk, and governance matters in a manner that complements the Management's role, the Committee may, at

the reasonable cost of the Company and in consultation with the Chairperson of the Board, seek independent third-party views or technical advice on financial, regulatory, or risk implications of any matter within its purview. Such engagements shall be undertaken with discretion, and subject to recommendation to, and approval or acknowledgement by, the Board.

- 4.7. The Committee shall also have the authority to serve as the designated recipient of any reports, complaints, or disclosures made pursuant to the Group's governance, ethics, or compliance policies (including, but not limited to, the Speak Up Policy and the Anti-Bribery & Corruption Policy), and, in that capacity, to access all relevant records and communications, engage with responsible personnel, and seek clarification from the Management or any external parties as necessary to support its oversight and response functions on behalf of the Board.

5. KEY RESPONSIBILITIES: AUDIT

- 5.1. The Committee shall, with due cognisance of the Group's strategic direction, business operations, and reporting obligations, and with accountability to the Board for ensuring the integrity of financial disclosures and audit oversight across the Group:
- (a) Review and advise the Board on the integrity of the Company's financial reporting, including the quarterly and annual financial statements, and the appropriateness of accounting treatments adopted by the Management, with attention to material adjustments, significant judgments, or unusual disclosures;
 - (b) Oversee audits across material Group entities, including in respect of the Management's coordination of audit scopes, consolidation of findings, and the consistency of financial controls across the Group;
 - (c) Review and advise the Board on audit-related matters, including the scope, plan, and findings of the external auditors; the performance, independence, and reappointment of the external auditors; and the Management's response to key observations raised by the external auditors;
 - (d) Where audit findings, control weaknesses, or integrity concerns are deemed material and remain unresolved or inadequately addressed by the Management, advise the Board accordingly and, where appropriate, recommend follow-up actions or the commissioning of further independent review;
 - (e) Review and monitor the provision of non-audit services by the external auditors to ensure their independence is not compromised, and recommend appropriate safeguards or disclosures, where required;
 - (f) Review the adequacy and effectiveness of the internal audit function, including the internal audit plan, scope, and reporting structure; the adequacy of internal audit resources and competencies; and the key findings of internal audit reports and the Management's response to such findings;
 - (g) Review the internal audit function's risk-based audit methodology and prioritisation framework, including the process for risk-rating auditable areas, to ensure appropriate audit focus on high and critical risk areas;
 - (h) Review related party transactions and any circumstances which may give rise to questions of Management integrity, conflict of interest, or governance impropriety, and ensure that such

matters are appropriately disclosed and addressed;

- (i) Advise the Board on the adequacy of internal controls relevant to the Group's financial reporting and audit environment, based on reports from the external and internal auditors, and the Management's own assessments;
- (j) Review the consistency, completeness, and clarity of financial and governance-related disclosures presented in the Company's Annual Report and other pertinent corporate communications, including regulatory filings and announcements to Bursa Malaysia, to ensure alignment with audited financial statements and the Committee's oversight recommendations as received by the Board; and
- (k) Review any material findings or observations arising from internal investigations involving suspected financial irregularities, misconduct, or other matters falling within the Committee's scope, and evaluate the adequacy of the Management's response and remediation actions.

6. KEY RESPONSIBILITIES: RISK MANAGEMENT

- 6.1. The Committee shall, with due cognisance of the Group's strategic direction, capital priorities, and operational realities, and with accountability to the Board for the overall adequacy of the Group's risk governance:
 - (a) Review and recommend to the Board, for approval, the Group's overall risk management strategy, including a review of Group risk appetite and key risk tolerances as may from time to time be proposed by the Management;
 - (b) Oversee the implementation of a Board-approved Risk Management Policy, or otherwise equivalent risk management framework, by the Management, including receipt of periodic reports from the Management on adherence to the adopted framework, and on key risk exposures, emerging risks, material breaches, and mitigation actions taken;
 - (c) Evaluate the adequacy and relevance of the Group's risk management framework, tools, and methodologies, and advise on enhancements required to ensure robustness, scalability, and responsiveness;
 - (d) Review the Group's consolidated risk profile at regular intervals, including the Management's risk positioning strategies in response to changes in internal or external business conditions;
 - (e) Review and recommend for Board approval any material changes to risk management policies, procedures, or limits whensoever risk discoveries arise;
 - (f) Advise the Board on the adequacy of the control environment across the Group, including clarity of risk accountability between business units, risk owners, and assurance functions;
 - (g) Review and advise the Board on the contents of the Group's Statement on Risk Management & Internal Control in the Annual Report, and any other disclosures relating to risk posture, resilience, or mitigation strategies;
 - (h) Evaluate the risk implications of proposed investments, divestments, capital projects, or restructuring exercises which exceed materiality thresholds or such financial thresholds as may be determined by the Board (e.g. in relation to the issued capital of the Company), with a view of detecting financial and operational risks or downside risk exposure, and providing

constructive challenge to the Management's proposed mitigation strategies in the context of Group risk appetites;

- (i) Receive periodic updates from the Management on litigation and legal exposures of the Group which may pose a material risk, including settlements, investigations, or regulatory action;
- (j) Monitor the Group's exposure to ethical and behavioural risks at Management and personnel levels, including periodic review of ethical compliance frameworks, with reference to the Board as needed; and
- (k) Receive, and guide appropriate response to, any reports, disclosures, or complaints made pursuant to the Company's established governance or compliance policies, including to assess materiality, recommend follow-up actions, and coordinate with other relevant Board committees to address any broader governance, compliance, or reputational implications where necessary.

7. REVIEW OF TERMS OF REFERENCE

The Committee shall review the adequacy and continuing relevance of this Terms of Reference at least once annually, taking into account prospect changes in applicable laws, regulations, corporate governance codes, Bursa Malaysia Listing Requirements, and any evolving expectations of the Group in audit, financial reporting, or risk oversight. This review shall be led by the Chairperson of the Committee and may be supplemented by input from the Company Secretary, external auditors, or other relevant advisors to the Committee, or the Board, as appropriate. Any recommended revisions shall be tabled to the Board for consideration and approval.

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