TERMS OF REFERENCE

AUDIT AND RISK MANAGEMENT COMMITTEE

("ARMC")

1. OBJECTIVES

The primary objectives of the Audit and Risk Management ARMC ("**ARMC**") is to assist the Board of Directors ("**Board**") in discharging its statutory duties and responsibilities relating to internal controls, financial and accounting records and policies of Enest Group Berhad ("**Company**") and its subsidiary ("**Group**").

In addition, the ARMC shall assist the Board:-

(a) in ensuring that the Group complies with specified accounting standards and required disclosure as administered by Bursa Malaysia Securities Berhad ("**Bursa Securities**") via the ACE Market Listing Requirements ("**AMLR**"), relevant accounting standards bodies, and any other laws and regulations as amended from time to time;

(b) in presenting a balanced and understandable assessment of the Group's financial position and prospects;

(c) in establishing a formal and transparent arrangement for maintaining an appropriate relationship with the Company's auditors and overseeing and appraising the quality of audit conducted by the Group's internal and external auditors; and

(d) in determining the adequacy of the Group's administrative, operating and accounting controls.

2. COMPOSITION

2.1 The ARMC shall be appointed by the Board from its members pursuant to a resolution of the Board and must fulfil the following requirements:-The members of the ARMC shall comprise a minimum number of three (3), of whom should be exclusively Non-Executive Directors and all of whom are independent.

2.2 At least one (1) member must be a member of the Malaysian Institute of Accountants, or alternatively a person with at least 3 years working experience and either one of the following qualifications: -

a) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or

b) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

c) Fulfils such other requirements as prescribed or approved by Bursa Securities.

2.3 There will be no Alternate Director appointed as a member of the ARMC. Upon resignation of a Committee Member and if the number of ARMC members falls below three, the vacancy must be filled within three (3) months as may be required to fulfil the requirements.

2.4 No former key audit partner of the Company's external auditors shall be appointed as member of the ARMC unless he/ she has observed a cooling-off period of at least three (3) years.

2.5 The Board shall review the terms of office and performance of the ARMC and each of its members at least once every 3 years to ensure the ARMC and the members have fulfilled and carried out their duties in accordance with the terms of reference on this committee.

2.6 Every member of the ARMC shall undertake continuous professional training to keep abreast of relevant developments in the accounting and auditing standards, best practices, and governing rules.

3. CHAIRMAN OF THE ARMC

3.1 The Chairman of the ARMC shall be an Independent Non-Executive Director who is appointed by the Board. In the absence of the ARMC Chairman, the present ARMC members shall elect one of its members to chair the meeting.

3.2 The Chairman of the Board shall not be the Chairman or a member of the ARMC.

4. SECRETARY

4.1 The Company Secretary or his nominee shall act as the secretary of the ARMC.

4.2 It is the responsibility of the Company Secretary to circulate and keep all meeting notices, minutes, communications, meeting materials and any other important documents, in a timely and orderly manner.

5. QUORUM AND ATTENDENCE

5.1 To form a quorum, there must be at least One of the ARMC members present.

5.2 Upon meeting the quorum, the ARMC meeting is considered to be competent for the exercise of its powers, authorities and discretions vested upon it.

5.3 At every ARMC meeting, an invitation will be extended to the Company's Chief Financial Officer or any other staff and appointed external representative(s) undertaking audit and risk management roles for and on behalf of the Company.

5.4 Whenever necessary, the ARMC may also invite other Directors and employees to attend a meeting to assist and clarify matters raised before deliberating and resolving an issue.

5.5 The ARMC should meet with the external and internal auditors without the present of executive board members and employees at least twice a year and whenever necessary.

5.6 Any member of the ARMC may participate in a meeting via video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the said meeting and shall be counted in a quorum and entitled to vote accordingly.

5.7 Where a decision is required to proceed with a certain matter, the ARMC shall decide by a majority of votes of those present and voting, and in the case of a tie, the Chairman of ARMC shall have a second or casting vote. However, at meetings where two (2) ARMC members are present or when only two (2) members are competent to vote on a particular issue, the Chairman shall not have a second or casting vote.

5.8 Matters with conflicting views shall not be decided by the ARMC. Instead, the matter shall be submitted to the Board for its final decision.

5.9 Any ARMC member shall abstain from voting if he/ she has an interest on any matter(s) being reviewed or considered for approval.

5.10 The ARMC shall decide if a circular resolution is appropriate and acceptable on case-by-case basis. In this regard, a written circular resolution with all pertinent information and details required for making a well-informed decision on a particular matter shall be circulated to all ARMC members with adequate time given for the member to consider and make a decision.

5.11 A resolution is considered approved where a majority of the ARMC members have duly signed and return the written resolution within stipulated time and shall be considered valid and effectual as if it has been passed at dully convened ARMC meeting.

5.12 Any such resolution may consist of several documents together with a proper signing form where each signed by one (1) or more members of the ARMC and shall include signed copies received via legible facsimile transmission or other written electronic means.

6. FREQUENCY OF MEETINGS

6.1 The ARMC shall meet at least four (4) times in a financial year. Additional meeting(s) may be held if there is a request from any ARMC member, the Management or the internal or external auditors to consider and deliberate any matter within the scope and responsibilities of the ARMC.

7. NOTICE OF MEETINGS

7.1 A meeting shall be called by the Company Secretary at the request of the ARMC Chairman based on planned calendar dates and/ or upon request received to convene a meeting.

7.2 The Company Secretary shall circulate the notice with confirmed meeting venue, date and time to all the ARMC members including the agenda items and the supporting meeting materials, no later than five (5) business days prior to the date of the meeting.

8. MINUTES OF MEETINGS

8.1 The meeting proceedings, deliberations and resolutions made must be captured in the meeting minutes to be prepared by the Company Secretary.

8.2 Minutes of the ARMC meeting shall be confirmed and signed by the Chairman of the meeting and circulated to all members of the Board in a timely manner.

9. DUTIES AND RESPONSIBILITIES

9.1 The ARMC shall fulfil the following primary objectives:

i. To discuss, consider and deliberate on periodic basis, matters relating to internal controls (including but not limited to adequacy of scope, competency and resources), regulatory reporting and risk management as business and economic landscape evolve with emergence of new opportunities and risks.

ii. In relation to the Company's external auditors, the ARMC shall:

a) Assess the level of competency, suitability, independence and resources including reasonableness of the audit fee as part of the consideration for its appointment.

b) Review the audit report and content of external auditor's management letter and the corresponding management response.

c) Question the basis or reason given in the event of its resignation or dismissal.

iii. The ARMC together with the external auditors shall assess the proposed scope, plan and nature of the audit to be conducted for the Company and its subsidiaries.

iv. Additionally, the ARMC with external auditors shall also review any problems and reservations arising from their interim and final audits conducted and examine the audit report which includes the evaluation of the internal systems and controls.

v. To assess whether other non-audit services extended by the same external auditors do not compromise their independence as the appointed external auditors and that the fees for these services are reasonable.

vi. To review the Company's/Group's quarterly financial statements and annual financial statements for Board's consideration. The review shall focus on any changes to the implementation of major accounting policies and practices, any significant matters highlighted in relation to issues on financial reporting, judgements made by management and whether any significant and unusual events/ transactions and how these matters are addressed. Other focus areas for review also include any significant adjustments/ issues arising from the audit, the going concern assumption as well as the compliance with applicable approved accounting standards and other regulatory requirements.

vii. To promptly report to Bursa Securities if it is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the AMLR.

viii. Consider and recommend to the Board on the appointment or re-appointment of the external auditors including recommendation for nomination of a person or persons as external auditors.

ix. To oversee and recommend the risk management policies and procedures of the Group.

x. The following are duties relating to internal audit function:

a) Reviewing the internal audit plan and processes and programmes, where there is an investigation conducted, to determine whether appropriate action has been taken based on the findings and recommendations made by internal audit.

b) Approving the internal audit charter and annual risk-based internal audit plan, budget and resources plan.

c) Reviewing the assessment and appraisal of the performance of the internal audit function.

d) Approving the appointment or termination of person undertaking internal audit roles.

xi. The following are duties relating to risk management function:

a) Approving the risk review budget, plan and resources allocated for risk management.

b) Making sure the risk management framework adopted by the Company is based on internationally recognised risk management standard.

c) Recommending appropriate key risk indicators, risk appetite and statement including any changes to be proposed thereto, for Board's approval.

d) Assessing the effectiveness of the risk management framework and support system in identifying, evaluating, monitoring and managing the Group's key risks and to ensure the structure is updated according to the changes in the business environment.

xii. To monitor, review, and report to the Board any related party transactions, recurrent related party transactions, or conflict of interest situation that arose, persist or may arise within the Company or its subsidiaries that may question the Management's integrity when it comes to making decision on any transaction or when implementing procedure/ course of conduct.

xiii. To ensure that measures are taken to resolve, eliminate or mitigate any conflict-of-interest situations.

xiv. To assess if the Company and its subsidiaries have adequate processes in place to evaluate, track, approve and report any related party transactions and recurrent related party transactions.

xv. To review the effectiveness of the Company's, including its subsidiaries, internal control system based on its administrative and regular monitoring functions especially on the controls of the financial reporting.

xvi. To supervise the application of the whistleblowing policy and procedures.

xvii. To undertake other responsibilities as may agreed to by the ARMC and the Board.

xviii. To consider and report major findings and management's response in relation to any internal investigations conducted by internal auditors.

xix. To review the report and statement on Risk Management and Internal Control to be published in the annual report.

10. AUTHORITY

10.1 The ARMC is authorised by the Board to: -

i. Undertake an investigation on matter(s) within its terms of reference and will have full and unrestricted access to any information pertaining to the Company and its subsidiaries.

ii. Liaise directly with both the internal and/ or external auditors and risk management company that have been appointed by the Company.

iii. Have full access to any employee or member of the Management.

iv. Conduct closed-door meetings with the external auditors, internal auditors or both, and also the risk management company/ relevant staff, without the attendance of the other Directors and Management, whenever deemed necessary.

10.2 The ARMC shall have access to information and resources deemed appropriate for the discharge of its responsibilities to the Company.

10.3 The ARMC may request for an external legal or other independent professional advice to give independent view on specific area which it considers necessary and reasonable for the performance of its duties, at the Company's expense.

10.4 The ARMC shall report any breach of listing requirements, which have not been satisfactorily resolved to Bursa Securities.

11. REPORTING TO THE BOARD

11.1 After each meeting, the Chairman of the ARMC shall report on its proceedings. Any recommendation presented for action and improvement by the ARMC shall be made based on the purview within its duties and responsibilities that have been delegated by the Board.

12. REVIEW OF THE WRITTEN TERMS OF REFERENCE

12.1 The Board has approved the Terms of Reference of the ARMC on 24 September 2025 and remains effective until the next review.

12.2 A periodic review will be undertaken to reflect any applicable changes within the Company and any development in the relevant laws, rules, and regulations to enable the Board to discharge its duties and responsibilities effectively.

12.3 Any updates to the provisions set out in this Terms of Reference shall be made available on the Company's website www.enest.com.my.