



**AUDIT & RISK MANAGEMENT
COMMITTEE
TERMS OF
REFERENCE**

INSIGHTS ANALYTICS BERHAD
Registration No. 202401035770 (1581617-V)
AUDIT AND RISK MANAGEMENT COMMITTEE

AUDIT AND RISK MANAGEMENT COMMITTEE (TERMS OF REFERENCE)

1. PURPOSE

The main objectives of the Audit and Risk Management Committee (“Committee”) shall be to:

- (a) provide assistance to the Board of Directors in fulfilling its statutory and fiduciary responsibilities for examinations of the Company and in monitoring its accounting and financial reporting practices.
- (b) determine that the Company has adequate administrative, operational, and internal accounting controls and that the Company is operating in accordance with its prescribed procedures.
- (c) assist the Board to fulfill its corporate governance, risk management, and statutory responsibilities to manage the overall risk exposure of the Group.
- (d) serve as an independent and objective party in the review of the financial information presented by the Management for distribution to shareholders and the general public.
- (e) provide direction and controls over the Internal Audit function and the External Auditors.
- (f) approve and periodically review the risk management policies and risk strategies of the Group.
- (g) review the overall risk profile of the Group and ensure the cultivation of proper awareness of risk culture within the Group.

2. MEMBERSHIP

- (a) The Committee shall be appointed by the Board from amongst the Directors and shall comprise no fewer than three (3) members, all of whom must be Non-Executive Directors, with a majority of them being Independent Directors. The Chairman of the Board shall not be a member of the Committee. The Committee shall, collectively, possess the relevant range of skills necessary for it to discharge its duties as set out in this Terms of Reference.
- (b) The Committee shall include at least one (1) Director who is a member of the Malaysian Institute of Accountants or, alternatively, a person who must have at least three (3) years’ working experience and have passed any of the examinations specified in Part I of the First Schedule of the Accountants Act, 1967 or is a member of one of the associations/institutes specified in Part II of the said Schedule or fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad (“Bursa Securities”).
- (c) All members of the Committee shall be financially literate and have sufficient understanding of the Company’s business. They must be able to read, analyse and interpret financial statements, competent and are able to understand matters under the purview of the Committee, including the financial reporting process of the Company. Accordingly, all members of the Committee shall undertake continuous

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- professional development to keep abreast of relevant developments on accounting and auditing standards, practices and rules.
- (d) No former partner of the Company's external auditors ("Audit Firm") shall be appointed a member of the Committee unless the person has ceased as partner of the Audit Firm for a period of at least three (3) years.
 - (e) No Alternate Director shall be appointed a member of the Committee.
 - (f) The members of the Committee shall elect a Chairman from amongst their number who shall be an Independent Non-Executive Director.
 - (g) The Company Secretary shall act as the Secretary of the Committee.
 - (h) In the event of any vacancy which results in the membership of the Committee falls below three (3) members, the vacancy shall be filled within three (3) months or any longer period with the approval of Bursa Securities.
 - (i) The terms of office and the performance of the Committee and each of its members shall be assessed annually by way of a "self and peer" review carried out by members of the Committee and personnel who were not members of the Board or Board committees but who attended the full meetings of the Audit and Risk Management Committee, with the outcome submitted to the Nominating Committee ("NC") for review.
 - (j) The terms of office of each member in the Committee shall be reviewed by the NC annually to determine the need to refresh the Committee's composition.

3. AUTHORITY

The Committee is authorised by the Board, and at the cost of the Company, to:

- (a) investigate any matter within its Terms of Reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company or Group or any of the subsidiaries;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- (e) be able to obtain independent professional or other advice in connection with any matter within the remit of the Committee; and
- (f) convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company;
- (g) make relevant reports when necessary to the relevant authorities if a breach of the Listing Requirements of Bursa Securities occurred;
- (h) make recommendations to the Board on risk management issues in its advisory capacity.

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4. DUTIES AND RESPONSIBILITIES

The duties and responsibilities as stated in the terms of reference of the Committee shall include, amongst others, the following:

- (a) to review the audit plan, evaluation of the system of internal controls and audit report with the external auditors;
- (b) to review the engagement, compensation, performance, qualifications and independence of our external auditors, its conduct of the annual statutory audit of our financial statements, and the engagement of external auditors for all other services;
- (c) to recommend the nomination or re-appointment of external auditors on annual basis;
- (d) to review and recommend our quarterly results and annual financial statements for approval by our Board, focusing in particular on any changes in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, going concern assumption and compliance with accounting standards and other regulatory or legal requirements;
- (e) to review and monitor any related party transactions entered into by our Group and any conflict of interest situations that may arise within our Group;
- (f) to oversee and recommend the risk management framework of our Group;
- (g) to review and recommend changes as needed to ensure that our Group has in place at all times a risk management policy which addresses the strategies, operational, financial and compliance risk;
- (h) to implement and maintain a sound risk management framework which identifies, assesses, manages and monitors our Group's business risks;
- (i) to review the risk profile of our Group and to evaluate the measures taken to mitigate the business risks;
- (j) to review the adequacy of our management's response to issues identified in risk registers, ensuring that our risks are managed within our Group's risk appetite;
- (k) to perform the oversight function over the administration of whistleblowing policy that is approved and adopted by our Board and to protect the values of transparency, integrity, impartiality and accountability where our Group conducts its business and affairs;
- (l) to consider the major findings of internal investigations and management's response;
- (m) to do the following:
 - (i) establishment of an internal audit function (either in house or outsourced , as applicable) which is independent of the activities its audits and to ensure that

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the internal audit function reports directly to the Audit and Risk Management Committee;

- (ii) review the adequacy of the scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - (iii) review the internal audit plan and results of the internal audit assessments undertaken and ensure that the appropriate action is taken on the recommendation of the internal auditors;
 - (iv) consider the internal audit reports and findings by the internal auditors, fraud investigation and actions and steps taken by our management in response to audit findings;
 - (v) appraise or assess the performance of members of the internal audit function; and
 - (vi) monitor the overall performance of our Company's internal audit function;
- (n) to consider other areas as defined by our Board or as may be prescribed by Bursa Securities or any other relevant authority from time to time; and
- (o) to perform such other functions that may be mutually agreed upon by our Audit and Risk Management Committee and our Board.

The recommendations of Audit and Risk Management Committee are subject to the approval of the Board.

5. CONDUCT OF MEETINGS

The Chairman shall call for meetings to be held not less than four (4) times a year. Such meetings shall either be conducted physically at site or virtually via a secure online platform.

Any member of the Committee may at any time requisite for, and the Company Secretary who is Secretary of the Committee, shall, on requisition of the member, arrange to convene a meeting of the Committee. Except in the case of an emergency, a seven (7) days' notice shall be given in writing to all members before the date of the meeting.

The quorum for meeting shall be two (2) Independent Non-Executive Directors. Meetings shall be chaired by the Chairman, and in his absence, by one of the members appointed from the remaining Committee members. Decision on a matter deliberated shall be made by a majority of votes.

The Head of Finance, Head of Internal Audit and the Committee Secretary shall normally attend the full meetings upon invitation of the Committee. Other Board members and employees may attend meetings upon invitation of the Committee to provide explanations required on an agenda item involving them after which they shall be excused from the meeting. A representative of the External Auditors shall attend the meeting to present the audit plan and the outcome of their audit of the annual financial statements and such other meetings as determined by the Committee.

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The Chairman has the right to request those who are present to leave the meeting when matters to be discussed are likely to be hampered by their presence or confidentiality of matters needed to be preserved.

The Secretary shall minute the proceedings and resolutions of Committee meetings, including the names of those present and in attendance. Minutes of Committee meetings shall be kept and circulated to each member of the Audit and Risk Management Committee and made available on request to other members of the Board.

A resolution in writing signed or approved by letter or via facsimile transmission by all Committee members shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member. Any such resolution may consist of several documents in like form, each signed by one (1) or more Committee members.

6. REPORTING PROCEDURES

The Committee Secretary shall record the proceedings of meetings, the draft minutes of which shall be made available to the members of the Committee for comments within one (1) month from conclusion of the meeting. Minutes of meetings which have been confirmed by the Chairman of the Committee shall be circulated to all members of the Board.

The Chairman of the Committee shall, following the conclusion of the Committee meeting, report to the Board of Directors at its meeting the matters discussed and deliberated, including the outcome of the Committee meeting, either for notation of the Board or for its approval as the case may be. On an annual basis, the Committee shall prepare for the Board, and for inclusion in the Company's Annual Report, a summary of its activities in the discharge of its functions and duties, including a summary of any conflict of interest or potential conflict of interest situation reviewed by the audit committee pursuant to paragraph 15.12(1)(h) of the ACE Market Listing Requirements (excluding a related party transaction), and the measures taken to resolve, eliminate, or mitigate such conflicts, for the financial year under review.

The Committee may report to Bursa Securities any matter reported by it to the Board which has not been satisfactorily resolved resulting in a breach of the ACE Market Listing Requirements of Bursa Securities.

7. REVIEW OF THE TERMS OF REFERENCE

The Committee shall review and assess the Terms of Reference regularly or as and when required, especially when there are changes to any regulatory requirements to ensure that the Terms of Reference remain relevant and appropriate in the discharge of the Committee's responsibilities. Any proposed changes to the Terms of Reference shall be approved by the Board.

This Terms of Reference was approved by the Board on 15th January 2025.