TERMS OF REFERENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

(Adopted w.e.f. 27 April 2026)

1. OBJECTIVES

The principal objectives of the Audit and Risk Management Committee ("**ARMC**") are to assist the Board of Directors ("**Board**") of Parkland Berhad ("**Parkland**" or the "**Company**") in discharging its statutory and fiduciary duties and responsibilities relating to accounting and financial reporting practices, internal control, as well as risk management policies and strategies of the Company and its subsidiaries ("**Group**").

In addition, the ARMC shall:

(a) evaluate the quality of the audits performed by the internal and external auditors;

(b) provide assurance that the financial information presented by management of the Company ("**Management**") is relevant, reliable and timely;

(c) ensure that proper process and procedures are in place to comply with laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies and observance of a proper code of conduct;

(d) determine the quality, adequacy and effectiveness of the Company's control environment;

(e) oversee the transparency of the financial reporting process;

(f) ensure financial statements comply with applicable financial reporting standards; and

(g) fulfil its corporate governance, risk management, internal control framework and statutory responsibilities in order to manage the overall risk exposure.

Terms of reference ("**TOR**") of ARMC is established pursuant to Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and in line with the Malaysian Code of Corporate Governance ("**MCCG**") issued by the Securities Commission Malaysia.

2. COMPOSITION

(a) The Board shall elect the ARMC members from amongst themselves, comprising at least three (3) members, all of whom shall be Independent Non-Executive Directors.

(b) The ARMC should possess a wide range of necessary skills to discharge its duties. All members of the ARMC shall be financially literate and are able to understand the matters under the purview of the ARMC including the financial reporting process.

(c) At least one (1) member of the ARMC:

  (i) must be a member of the Malaysian Institute of Accountants ("**MIA**"); or

  (ii) if he is not a member of the MIA, he must have at least three (3) years of working experience and:

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

    (bb) must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or

  (iii) fulfils such other requirements as prescribed or approved by Bursa Securities and/or other relevant authorities from time to time.

(d) The Chairman of the Board must not be a member of the ARMC.

(e) No alternate Director of the Board shall be appointed as a member of the ARMC.

(f) No former partner of the Company's external audit firm shall be appointed as a member of the ARMC before first observing a cooling-off period of at least three (3) years. The former partner in this Clause refers to all former partners of the audit firm and/or the affiliate firm(s) (including those providing advisory services, tax consulting, etc).

(g) All members of the ARMC should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

3. CHAIRMAN

(a) The Chairman of the ARMC shall be an Independent Non-Executive Director elected by the Board.

(b) The Chairman of the ARMC shall chair all ARMC meetings but in the absence of the Chairman, the members of the ARMC can elect from amongst themselves as the Chairman of the meeting.

(c) The Chairman of the ARMC is responsible for ensuring the overall effectiveness and independence of the ARMC.

(d) The Chairman of the ARMC together with other members of the ARMC should ensure amongst others, that:

  (i) the ARMC is fully informed about significant matters related to the Group's audit and its financial statements and address these matters;

  (ii) the ARMC appropriately communicates its insights, views and concerns about relevant transactions and events to internal and external auditors;

(iii) the ARMC's concerns on matters that may have an effect on the financial or audit of the Group are communicated to the external auditors; and

(iv) there is co-ordination between internal and external auditors.

4. RETIREMENT AND RESIGNATION

If any member of the ARMC or Chairman of the ARMC retires, re-designates, resigns, dies, or for any reason ceases to be a member or Chairman resulting in non-compliance with Clauses 2(a), 2(b) and 3(a) above, the Board shall, within three (3) months of the event, appoint such number of the new member(s) or Chairman as may be required to fill the vacancy.

Members of the ARMC may relinquish their membership in the ARMC with prior written notice to the Board.

5. SECRETARY(IES)

The Secretary(ies) of the ARMC shall be the Company Secretary(ies) of the Company. The Secretary(ies) shall be responsible for the following:

(a) drawing up the meeting agenda in consultation with the ARMC Chairman, and circulating it together with the relevant papers at least five (5) business days prior to each meeting;

(b) preparing the minutes of the ARMC meetings and recording the conclusions of the ARMC in discharging its duties and responsibilities;

(c) ensuring the minutes are endorsed by the ARMC Chairman before circulating promptly to all members of the ARMC and making the same available to the Board members who are not members of the ARMC; and

(d) ensuring the minutes of the ARMC meetings are properly kept and produced for inspection if required.

6. TERM OF OFFICE

The term of office, the effectiveness and performance of the ARMC and each of its members would be reviewed by the Nominating Committee annually to determine whether ARMC and its members have carried out their duties in accordance with this TOR.

7. MEETINGS

(a) The ARMC shall meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least four (4) times a year or more frequently as deemed necessary. The Chairman or any other member of the ARMC may call for additional meetings at any time at their discretion.

(b) Reasonable notice of ARMC meetings shall be given in writing sent through the post, facsimile, electronic mail and by any means of telecommunication in permanent written form to all the ARMC members, except in the case of emergency, where the ARMC may waive such requirement.

(c) The ARMC may hold a committee meeting at two (2) or more venues within or outside Malaysia using any technology that gives the ARMC members as a whole a reasonable opportunity to participate. Any member of the ARMC participates at an ARMC meeting by way of telephone and video conferencing or by means of other communication equipment whereby all persons participating in the meeting are able to hear each other and be heard for the entire duration of the meeting in which event such member shall be deemed to be present at the meeting. A member participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the members attending the meeting provided that at least one (1) of the members present at the meeting was at such place for the duration of that meeting. All information and documents must be made equally available to all participants prior to or at/during the meeting.

(d) The Chairman of the ARMC shall engage on a continuous basis with the Chairman of the Board, the Group Managing Director, the Group Financial Controller / Senior Finance Manager, the internal auditors and the external auditors in order to be kept informed of matters affecting the Company.

(e) The Group Financial Controller / Senior Finance Manager and a representative of the internal and external auditors respectively should normally attend meetings. Other Board members or any member of Management or any employees or consultants, who the ARMC thinks fit, may attend meetings upon the invitation of the ARMC.

(f) The ARMC shall meet at least once a year with the external auditors and internal auditors without the presence of any executive Board members, Management or employees and may request for additional meetings whenever deemed necessary.

(g) Upon the request of the external auditors, the Chairman of the ARMC shall convene a meeting of the ARMC to consider any matter the external auditors believe should be brought to the attention of the ARMC, the Board and/or the shareholders.

(h) Questions arising at any meeting of the ARMC shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the ARMC shall have a second or casting vote.

(i) A member of the ARMC who has an interest or is involved directly or indirectly in any matter under consideration by the meeting shall abstain from deliberating and voting.

8. <u>QUORUM</u>

The quorum shall consist of at least two (2) members, who are the Independent Non-Executive Directors.

9. CIRCULAR RESOLUTION

A resolution in writing signed by a majority of the ARMC members for the time being shall be as valid and effectual as if it had been passed at a meeting of the ARMC duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more ARMC members. Any such document may be accepted as sufficiently signed by an ARMC member if it is transmitted to the Company by electronic mail, telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of an ARMC member. All such resolutions shall be described as "ARMC Members' Resolution in Writing" and shall be forwarded or otherwise delivered to the Company Secretary(ies) without delay and shall be recorded by the Company Secretary(ies) in the minutes book.

10. MINUTES

(a) Minutes of each meeting shall be kept at the registered office of the Company and distributed to each member of the ARMC and also to the other members of the Board. The ARMC Chairman shall report on the proceedings of each meeting to the Board.

(b) The minutes of the ARMC meeting shall be signed by the Chairman of the ARMC at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence of the proceedings of the meeting duly held.

(c) The ARMC members or Board members may inspect the minutes of each ARMC meetings at the registered office of the Company or such other place as may be determined by the ARMC.

11. REPORTING

The Chairman of the ARMC shall report to the Board on the proceedings of each meeting and on matters as it considers appropriate within its TOR at the next Board meeting after each ARMC meeting, but more frequently if it so wishes, either formally in writing or verbally. When presenting any recommendations to the Board for approval, the ARMC will provide such background and supporting information as may be necessary for the Board to make an informed decision.

The ARMC shall report to the Board on any specific matters referred to it by the Board.

12. AUTHORITY

The ARMC shall, in accordance with a procedure to be determined by the Board and at the expense of the Company, where necessary and reasonable for the performance of its duties:

(a) have explicit authority to investigate any matter within its TOR, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the ARMC;

(b) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and Senior Management of the Group;

(c) be able to obtain independent professional advice or other advice and invite persons with relevant experience and expertise to attend, if it considers necessary;

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

(e) be able to convene meetings with the internal auditors, external auditors or the person(s) carrying out the internal audit function or activity, or both, excluding the attendance of other Directors and employees of the Group, whenever deemed necessary;

(f) where the ARMC is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the MMLR, the ARMC shall promptly report such matter to Bursa Securities; and

(g) be entitled to the services and advice of the Company Secretary(ies).

13. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the ARMC are as follows:

13.1 Financial Reporting

(a) Review the quarterly results and annual financial statements of the Group before recommendation to the Board for approval, focusing particularly on:

(i) any changes in or implementation of new or major accounting policies and practices;

(ii) significant matters highlighted including financial reporting issues, significant judgments made by Management, significant and unusual events or transactions, and how these matters are addressed;

(iii) significant adjustment arising from the audit;

(iv) major judgmental areas;

(v) going concern assumption used in the preparation of the financial statements; and

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

(b) Review and report its findings on the financial and management performance, and other material matters to the Board, providing a true and fair view of the Company’s financial position and performance.

(c) Monitor the integrity of the Company's financial statements and ensure the financial statements are prepared in accordance with the applicable financial reporting standards.

13.2 External Auditors

(a) Consider and recommend to the Board on the appointment or re-appointment of external auditors and their audit fees.

(b) Review and evaluate the engagement, compensation, performance, qualification and independence of the external auditors, its conduct of the annual statutory audit of the financial statements, and the engagement of external auditors for all other services.

(c) Assess the suitability, objectivity and independence of the external auditors on an annual basis based on the policies and procedures that have been established and the annual performance evaluation of the external auditors undertaken by the ARMC. The policies and procedures should include the following considerations:

(i) the criteria to guide decisions on the appointment and re-appointment of the external auditor. The criteria should include an assessment of the competence, audit quality and resource capacity of the external auditor in relation to the audit. The assessment should also consider information presented in the Annual Transparency Report of the audit firm. If the Annual Transparency Report is not available, the ARC may engage the audit firm on matters typically covered in an Annual Transparency Report including the audit firm's governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks;

(ii) the appropriateness of audit fees to support a quality audit;

(iii) approve the non-audit services before they are rendered by the external auditors and/or their affiliates while taking into account the nature and external of the non-audit services and the appropriateness of the level of fees;

(iv) obtain written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and

(v) conduct an annual evaluation on the performance of the external auditors by the Management and the ARMC.

(d) Review and discuss with the external auditors the following and report the same to the Board:

(i) audit plan, particularly the nature and scope of the audit;

(ii) audit report;

(iii) evaluation of the system of internal controls;

(iv) assistance given by the employees of the Company to the external auditors, including any difficulties or disputes with Management encountered during audit;

(v) ensure co-ordination where more than one (1) audit firm is involved; and

(vi) external auditors' management letter and the Management's response thereto.

(e) Ensure they are full informed about any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the external auditors.

(f) Discuss issues 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).

(g) Establish, review and approve policies governing the circumstances under which contracts for the provisions of non-audit services can be entered into and procedures that must be adhered by the external auditors and/or their affiliates in the provision of such services.

(h) Perform the oversight function over the administration of whistleblowing policy that is approved and adopted by the Board and to protect the values of transparency, integrity, impartiality and accountability where the Group conducts its business and affairs.

(i) Enhance its accountability in preserving its integrity and withstand public scrutiny which in turn enhances and builds the Group's credibility to all the stakeholders.

(j) Consider the major findings of internal investigations and Management's response.

(k) Review any letter of resignation from the external auditor or proposal for their dismissal and whether there is a reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment.

13.3 Internal Audit

(a) Consider and approve the appointment, termination or change of the internal auditors.

(b) Take cognizance of resignations of internal audit staff members (for in-house internal audit function) or the audit service provider (for outsourced internal audit) and provide the resigning staff member or the internal auditor with an opportunity to submit the reasons for resigning.

(c) 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.

(d) Review the internal audit plan, programme, processes and the reporting structure.

(e) Review the internal audit reports findings by the internal auditors, investigations undertaken and whether or not appropriate actions and steps are taken by the Management in response to audit findings, based on the recommendations of the internal auditors.

(f) Ensure the internal audit function is independent of the activities it audits and the internal auditors report directly to the ARMC.

(g) Review any special audit which the ARMC deems necessary.

(h) Review and decide on the budget allocated to the internal audit function.

(i) Review the appraisal or assessment on the performance of members of the internal audit function.

(j) Monitor the overall performance of the Company's internal audit function.

13.4 Risk Management and Internal Control

(a) Oversee, review and assess the adequacy and effectiveness of the risk management and internal control framework of the Group.

(b) Ensure infrastructure, resources and systems are in place and adequate for managing the risk management and internal control framework.

(c) Review and recommend changes as needed to ensure that the Group has in place at all times a risk management policy which addresses the strategies, operational, financial, compliance, sustainability and reputational risk.

(d) Implement and maintain a sound risk management framework, policies and process, including identifying, assessing, managing and monitoring the Group's business risks.

(e) Review the reporting guidelines for the management to report to the Board on the effectiveness of the Group's management of its business risks.

(f) Review and assess the management's periodic reports on risk profile of the Group, including the Group's level of risk appetite and risk tolerance, and to evaluate the measure taken to mitigate the business risks.

(g) Review the adequacy of the management's response to issues identified to risk registers, ensuring that the risks are managed within the Group's risk appetite.

13.5 Related Party Transactions ("RPT"), Recurrent RPT ("RRPT") and Conflict of Interests ("COI")

(a) Review the propriety or terms of any RPT and any COI or potential COI situation that arose, persist or may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity and the measures taken to resolve, eliminate, or mitigate such conflicts.

(b) Establishing comprehensive procedures for identifying, evaluating, approving and reporting RPT and RRPT, as well as monitoring COI situations.

(c) Review all RRPT to ensure that they are carried out in accordance with the mandate approved by the shareholders and are on commercial terms that are not more favorable to the related parties than those available to the public.

(d) Review all non-recurring transactions or corporate proposals, involving related parties, to ensure that they are in the best interest of the Company or the Group and are not detrimental to the interest of minority shareholders.

13.6 Other Matters

(a) Ensure that any matter which results in a breach of the MMLR is reported to Bursa Securities if it has not been satisfactorily resolved.

(b) Review the implementation of the Group's sustainability-related strategies and initiatives.

(c) Monitor the establishment and maintenance of a process, including controls, policies and procedures, for the systematic identification, assessment, prioritisation, management, monitoring and reporting of the Group's material economic, environmental and social risks and opportunities.

(d) Review all financial related reports, Corporate Governance Statements, Statement on Risk Management and Internal Control, statement of the Board's responsibilities for the preparation of the annual audited financial statements, as well as Sustainability Statement for inclusion in the Company's annual report.

(e) Verify the allocation of options / shares granted pursuant to the Employees' Share Option Scheme ("**ESOS**") / Employee Share Grant Plan ("**ESGP**") in compliance with the criteria as stipulated in the by-laws of ESOS / ESGP of the Company, if any.

(f) Obtain regular updates from the Management and monitor the Company's compliance with relevant laws, regulations and code of conduct.

(g) Review the adequacy and effectiveness of risk management, internal control and governance systems.

(h) Consider and examine such other matters as delegated by the Board or as the ARMC considers appropriate.

14. REVIEW OF THE TOR

This TOR shall be assessed, reviewed and updated periodically in accordance with the Group's practices, MMLR, MCCG and any other applicable regulatory requirements. It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the ARMC's role. All amendments to the TOR, as recommended by the ARMC, must be approved by the Board.

A copy of this TOR is available on the Company's website.

This TOR of ARMC was approved and adopted by the Board on 27 April 2026.

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