

9R LIMITED

AUDIT AND RISK COMMITTEE

TERMS OF REFERENCE

(Updated Sep 2022)

1. COMPOSITION

- 1.1 The Audit and Risk Committee (“**ARC**”) shall be appointed by the Board of Directors from among the members of the Board.
- 1.2 The ARC shall comprise at least three (3) directors, all non-executive and a majority of whom, including the Chairman shall be independent. The ARC shall have at least two (2) members, including Chairman, who have accounting or related financial management expertise or experience, as the Board interprets such qualifications in its business judgment.
- 1.3 A member who wishes to retire or resign from the ARC shall notify the Board in writing giving three (3) months’ notice or such shorter notice as may be agreed by the Board.
- 1.4 A member shall automatically cease to be a member of the ARC if he is removed/disqualified under the rules of the Companies Act 1967 (the “Act”), or if he resigns/retires/is not re-elected as a Board member.
- 1.5 Pursuant to Section 201B (4) of the Act, if a member resigns, is deceased or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum of three (3) members.

2. PROCEDURES GOVERNING MEETINGS

- 2.1 The ARC shall meet, at minimum, once every six (6) months.
- 2.2 Under Article 108 of the Company’s Constitution, the ARC being a committee of the Board shall conform to any regulations which may be from time to time imposed by the Board.

2.3 QUORUM

The quorum of the ARC meeting shall be two (2) members.

2.4 REQUISITION OF MEETINGS

- 2.4.1 The ARC may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. At anytime, any member may summon a meeting of the members by issuing at least two (2) days’ notice in writing (exclusive of the day on which it is served or deemed to be served and the day on which the meeting is to be held) to each and every member. The expression “in writing” includes those in the form sent out by mail, telefax, telex, cable, electronic mail or telegram by any such member.

2.4.2 The members may however, by unanimous consent, waive the aforesaid and allow for a shorter period of notice. At least two (2) meetings shall be held in a year.

2.5 CONDUCT OF MEETING

2.5.1 The Chairman of the ARC shall preside at each meeting. If the Chairman of the ARC is not present within five (5) minutes after the time appointed for holding the meeting, the members present may choose one of their numbers to be Chairman of the meeting so long as the appointed Chairman is an independent director.

2.5.2 Questions arising from any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairman shall have a second or casting vote.

2.5.3 The ARC shall have full access to and co-operation by Management and full discretion to invite any director or executive officer to attend meetings.

2.6 PARTICIPATION VIA COMMUNICATION EQUIPMENT

The members may participate in a meeting via telephone conference or such other similar communication equipment by means of which all persons participating in the meeting can hear each other, without a member being in the physical presence of another member or members, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

2.7 RESOLUTIONS IN WRITING

A resolution in writing signed by all the members and constituting a quorum shall be as effective as a resolution duly passed at an ARC meeting and may consist of several documents in the like form, each signed by one or more members. The expression “in writing” and “signed” include approval by telefax, telex, cable, electronic mail or telegram by any such member.

2.8 DEBARRED FROM VOTING

A member shall not vote in respect of any matters or proposal whatsoever in which he has any interest, directly or indirectly. A member shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

3. DUTIES AND FUNCTIONS

3.1 To assist the Board in the discharge of its responsibilities on financial reporting matters.

- 3.2 To review, with the internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and our management's response, and results of audits compiled by the Company's internal and external auditors.
- 3.3 To review the quarterly (if required), half-yearly and annual financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the SGX Listing Rules (Catalist) and any other statutory/regulatory requirements.
- 3.4 To assess when needed on whether there is a need to obtain independent legal advice or appoint a compliance adviser in relation to the sanctions-related risks applicable to the Company and continuous monitoring of the validity of the information provided to shareholders and SGX.
- 3.5 To review the effectiveness and adequacy of the Group's internal control and procedures, including accounting, financial controls and procedures and ensure coordination between the Group's internal and external auditors, and management; review the assistance given by the management to the auditors, discuss concerns and problems, if any, arising from the audit, and any matters which the auditors may wish to discuss (in the absence of the management where necessary).
- 3.6 To review the adequacy, effectiveness, independence, scope and results of the external audit and internal audit functions, and assess the independence and objectivity of the external auditors.
- 3.7 To review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response.
- 3.8 To make recommendations to the Board on the proposals to our Shareholders on the appointment, re-appointment and removal of the external auditors.
- 3.9 To review significant financial reporting issues and judgments with the CFO (or equivalent personnel) and the external auditors so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance before submission to the Board of Directors.
- 3.10 To review and report to the Board on the adequacy and effectiveness of the Company's risk management and internal controls in relation to financial reporting and other financial-related risk and controls. Specifically, the ARC shall review:

- (a) the Company's risk management framework (including risk governance structure, risk strategy and policy, risk assessment etc.);
 - (b) the Company's risk profile/risk dashboard on a regular basis to understand the significant financial reporting and other financial-related risks facing the Company, and how they are being mitigated;
 - (c) the risk appetite statements in relation to financial reporting and other financial-related risks and recommend such to the Board for approval; and
 - (d) the Company's levels of risk tolerance and risk policies relating to financial reporting and other financial-related risks.
- 3.11 To review and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems with the CFO (or equivalent personnel) and the internal and external auditors, including financial, operation, compliance and information technology controls via reviews carried out by the internal auditors.
- 3.12 To review and approve the statements to be included in the annual report concerning the effectiveness of the internal control and risk management systems.
- 3.13 To review promptly all relevant risk reports and monitor management's responsiveness to the findings.
- 3.14 To review the assurance from the CEO and CFO (or equivalent personnel) on the financial records and financial statements.
- 3.15 To review any potential conflicts of interest.
- 3.16 To review and approve any hedging policies and instruments to be implemented by the Group.
- 3.17 To undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of ARC.
- 3.18 To review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on, and ensure that the Company publicly discloses, and clearly communicates to employees and the public, the existence of a whistle-blowing policy and procedures for raising such concerns.

- 3.19 The primary reporting line of the internal audit function is to the ARC, which also decides on the appointment, termination and remuneration of the head of the internal audit function.
- 3.20 To meet with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.
- 3.21 To review transactions under the purview of the ARC and generally to undertake such other functions and duties as may be required by law or the SGX Listing Rules (Catalist), and by such amendments made thereto from time to time.
- 3.22 To review all interested person transactions and determine methods or procedures for checking that the transaction prices are adequate for transactions to be carried out on normal commercial terms, and that they will not prejudice the Company or its minority shareholders.
- 3.23 To assist the Board with oversight of Environmental, Social and Governance (“ESG”) disclosures, controls, processes, and assurance, including assessing the soundness of the methodologies and policies management is using to develop its metrics and other ESG disclosures.

4 REPORTING

Each meeting of the ARC shall be properly minuted and upon confirmation of such minutes by the Chairman, a copy of the confirmed minutes shall then be duly circulated to all members.

5 PROCEDURES RELATING TO CHANGES OR AMENDMENTS IN THE AUDIT AND RISK COMMITTEE’S TERMS OF REFERENCE

- 5.1 The ARC shall initiate amendments to its Terms of Reference when the need arises due to changes in legislation governing corporate governance. Any director may give instructions for such amendments to the ARC’s Terms of Reference, as he deems fit, by reason of changes in the Company’s structure, organisation and/or operations which affect the matters set out in the Terms of Reference.
- 5.2 Amendment to the Terms of Reference shall be submitted to the ARC for consideration and tabled at a Board meeting for approval.