

CATCHA DIGITAL BERHAD (FORMERLY KNOWN AS REV ASIA BERHAD)

Registration No. 201001033020 (916943-W)

TERMS OF REFERENCE OF AUDIT AND RISK MANAGEMENT COMMITTEE (“ARMC”)

The ARMC is governed by the Terms of Reference as stipulated below.

1. OBJECTIVES

The objective of the Committee is to assist the Board of Directors in meeting its responsibilities relating to accounting and reporting practices of the Group comprising the Company and its subsidiaries.

In addition, the Committee shall:-

- a) Oversee and appraise the quality of the audits conducted both by the Company's internal and external auditors;
- b) Maintain open lines of communication between the Board of Directors, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities;
- c) Evaluate the internal and external audit processes, including issues pertaining to the internal control within the Group; and
- d) Determine and evaluate the risk management process

The ARMC shall assist the Board:

- (a) in complying with specified accounting standards and required disclosure as administered by Bursa Securities, 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 Company's position and prospects;
- (c) in establishing a formal and transparent arrangement for maintaining an appropriate relationship with the Company's auditors; and
- (d) in maintaining a sound system of risk management and internal controls to safeguard shareholders' investment and the Company's assets.

2. COMPOSITION

The ARMC shall be appointed by the Directors from among their number (pursuant to a resolution of the Board of Directors) which fulfills the following requirements:-

- a) the Committee shall comprise at least 3 members, consisting wholly non-executive Directors and a majority of whom are independent Director;
- b) All the members of the Committee must be Independent Non-Executive Directors (“INED”). In this respect, the Board adopts the definition of “independent directors” under the Ace Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

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- c) all members of the Committee should be financially literate and are able to understand matters under the purview of the Committee including the financial reporting process. At least one member of the Committee:-
 - i) must be a member of the Malaysian Institute of Accountants; or
 - ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
 - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.
 - iii) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad and/or other relevant authorities from time to time.
- d) The ARMC shall comprise solely of independent directors.
- e) No alternate Director of the Board shall be appointed as a member of the Committee.
- f) For engagement of a former key audit partner as member, there is a cooling-off period of at least 3 years before being appointed as member of the Committee.
- g) The appointment of ARMC member terminates when the member ceases to be a Director, or as determined by the Board.

The members of the Committee shall elect a chairman from among their number who shall be an independent director.

In the event of any vacancy in the Committee (including Chairman) resulting in the non-compliance of item 1 (a) to (d) above, the Board shall upon the recommendation of the Nomination Committee fill the vacancy within 3 months of that event.

All members of the ARMC, including the Chairman, will hold office only so long as they serve as Directors of the Company. The Board must via the Nomination Committee review the term of office and performance of the ARMC, and each of its members, annually to determine whether the ARMC and its members has carried out its duties in accordance with its Terms of Reference.

3. SECRETARY

The Company Secretary or his/her representative or other appropriate senior officer shall act as Secretary of the Committee and shall be responsible, amongst others, drawing up meeting agendas in consultation with the Committee Chairman and circulate the agendas together with the relevant papers at least five (5) business days prior to each meeting to enable full and proper consideration be given to issues in attendance of each Committee meeting and responsible for keeping the minutes of meetings of the Committee at the registered office of the Company. The minutes shall be available for inspection by the Board if required.

4. QUORUM AND VOTING

The quorum for all meetings of the ARMC shall not be less than two (2) members, a majority of whom shall be Independent Non-Executive Directors. All meetings shall be chaired by the Chairman; if the Chairman is absent at any meeting, it shall be chaired by another Independent Non-Executive Director.

All resolutions of the ARMC shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman of the meeting shall have a second or casting vote.

5. MEETINGS

- (a) The minimum number of ARMC meetings to be held in a financial year is 4 meetings. Additional meetings may be called at any time, at the discretion of the Chairman of the ARMC.
- (b) The Chief Executive Officer and/or General Manager and other appropriate officer(s) may be invited to attend where their presence are considered appropriate as determined by the ARMC's Chairman.
- (c) Other Board members, employees of the Company and representatives of the external auditors may attend meetings upon the invitation of the ARMC.
- (d) The internal auditors have the right to appear and be heard at any meeting of the ARMC and are recommended to attend each ARMC meeting.
- (e) Upon the request of the internal auditors and/or external auditors, the ARMC Chairman shall also convene a meeting of the ARMC to consider any matter the auditor(s) believes should be brought to the attention of the Board or the shareholders.
- (f) The ARMC shall meet at least twice a year with the external and internal auditors without the presence of executive Board members and the Management.
- (g) The ARMC shall meet regularly, with due notice of issues to be discussed and shall record its conclusions accordingly.
- (h) The ARMC may participate in a meeting by means of telephone conference, video conference or other communications devices or any technologies that allow all members a reasonable opportunity to participate in the meeting. Such participation in a meeting shall constitute presence in person at such meeting.
- (i) Subject to paragraph (a) above, in appropriate circumstances, the ARMC may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A resolution in writing signed by all members in lieu of convening a formal meeting shall be as valid and effectual as it had been passed at a meeting of the ARMC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members. Any such document, may be accepted as sufficiently signed by an ARMC member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message purporting to include a signature of an ARMC member.

6. CHAIRMAN OF THE ARMC

The duties and responsibilities of the Chairman of the ARMC are to:-

- (a) Steer the ARMC to achieve the goals it sets;
- (b) Consult the Secretary of the Company for guidance on matters related to the ARMC's responsibilities under the applicable rules and regulations, to which they are subject;
- (c) Organise and present the agenda for ARMC meetings based on input from members of the ARMC for discussion on matters raised;
- (d) Provide leadership to the ARMC and ensure proper flow of information to the ARMC by reviewing the adequacy and timing of documentation;
- (e) Ensure that all members are encouraged to play their role in its activities;
- (f) Ensure that consensus is reached on every ARMC resolution and where considered necessary, call for a vote;
- (g) Manage the processes and working of the ARMC and ensure that the ARMC discharges its responsibilities without interference from the Management; and
- (h) Engage on a regular basis with senior management, the internal and external auditors in order to be kept informed of matters affecting the Company.

7. ARMC MEMBERS

Each ARMC member shall be expected to:

- (a) Provide individual external independent opinions to the fact-finding, analysis and decision making process of the ARMC;
- (b) Consider viewpoints from the other ARMC members in making decisions and recommendation for the best interest of the Board collectively;
- (c) Keep abreast of the latest corporate governance guidelines in relation to the ARMC and the Board as a whole; and
- (d) Continuously seek out best practices in terms of processes utilised by the ARMC, following which these should be discussed with the rest of the ARMC members for possible adoption.

8. AUTHORITY

In carrying out its duties and responsibilities, the ARMC shall have the following rights:

- (a) the explicit authority to investigate any matter within its Terms of Reference;
- (b) access to the resources which are required to perform its duties;

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- (c) full, free and unrestricted access to any information, records, properties and personnel of the Company;
- (d) direct communication channels with the external and internal auditors;
- (e) ability to obtain independent professional or other advice at the Company's costs, and to invite external parties with relevant experience to attend the ARMC meetings, if required, and to brief the ARMC thereof;
- (f) ability to convene meetings with external and internal auditors, or both, whenever deemed necessary, excluding the attendance of other Directors and employees of the Company;
- (g) promptly report to Bursa Malaysia Securities Berhad ("Bursa Securities") where a matter reported by the ARMC to the Board has not been satisfactorily resolved resulting in a breach of AMLR of Bursa Securities; and
- (h) the attendance of any particular ARMC meeting by other Directors and employees of the Company shall be at the ARMC's invitation and discretion, and specific to that relevant meeting only.

9. RESPONSIBILITIES OF ARMC

The responsibilities of the ARMC are:

- i) is fully informed about significant matters related to the Company's audit and its financial statements and addresses these matters;
- ii) appropriately communicates its insights, views and concerns about relevant transactions and events to internal and external auditors;
- iii) to serve as a focal point for communication between non-audit committee directors, the External Auditors, Internal Auditors and the Management and ensure that there is co-ordination between internal and external auditors;
- iv) to assist the Board in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Group and the sufficiency of auditing relative thereto;
- v) to assist the Board in assuring the independence of the Company's External Auditors, the integrity of Management, the adequacy of disclosures to shareholders, and the adequacy of internal controls; and
- vi) to assist the Board to ensuring the effective management of risks

10. DUTIES AND FUNCTIONS OF THE ARMC

Financial Reporting and Compliance

- i) to review the quarterly results and annual financial statements, prior to the approval by the Board, focusing particularly on:
 - a) any changes in or implementation of any accounting policies and practices;
 - b) significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions and how these matters are being addressed;
 - c) going concern assumptions; and
 - d) compliance with applicable accounting standards and other legal requirements.

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- ii) to discuss problems and reservations arising from the interim and final audits, and any matters the External/Internal Auditors may wish to discuss (in the absence of Management where necessary);
- iii) to review with the External Auditors, their management letter and management's response;

The Audit and Risk Management Committee assists and supports the Board's responsibility to oversee the Company's operations by providing a means for review and monitoring of the Group's financial reporting processes, its management of risk and internal control system, its audit processes as well as compliance with legal and regulatory matters, its own code of business conduct and such other matters that may specifically delegated to the ARMC by the Board from time to time.

The duties and responsibilities of the ARMC should include the following:-

External Audit

- (a) Review with the external auditors on their audit plan, their evaluation of the system of internal controls, audit report, problems and reservations arising from the interim and final audits, the management letter and management's response and the adequacy of assistance given by the Group's employees.
- (b) Review any letter of resignation from the external auditors and report the same to the Board.
- (c) Review whether there is any reason that the external auditor is not suitable for reappointment and make the relevant recommendation to the Board.
- (d) Recommend the nomination of a person or persons as external auditors, including matters related to audit fees. In considering the appointment or re-appointment of the external auditors; to consider among others:-
 - i. the adequacy of the experience and resources of the accounting firm;
 - ii. the persons assigned to the audit;
 - iii. the accounting firm's audit engagements;
 - iv. the size and complexity of the Group being audited;
 - v. the number and experience of supervisory and professional staff assigned to the particular audit;
 - vi. the appropriateness of audit fees to support a quality audit;
 - vii. results of recent inspections on the firm by the Audit Oversight Board, the Malaysian Institute of Accountants ("MIA") or other regulatory bodies, if any;
- (e) Ensure the proper policies and procedures are established and to assess the suitability and independence of external auditors, including obtaining written assurance from external auditors confirming they are and have been independent throughout the conduct of audit engagement in accordance with the terms of reference of all relevant professional and regulatory requirements.
- (f) Consider the performance of the external auditors and its independence by scrutinizing the information presented in the Annual Transparency Report¹ of the audit firm.

If the audit firm is not required to issue an Annual Transparency Report, the ARMC is encouraged to engage the audit firm on matters typically covered in Annual Transparency Report including the audit firm's governance and leadership structure as well as measures undertaken by the audit firm to uphold audit quality and manage risks;

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Note:

¹Annual Transparency Report is issued by audit firms registered with the Audit Oversight Board (AOB) where (i) the audit firms have more than 50 public interest entity (PIE) audit clients; and (ii) total market capitalisation of the audit firm's PIE clients above RM10 billion at the end of the calendar year for two (2) consecutive years.

- (g) Discuss the contracts and nature for the provision of non-audit services which can be entered into by the Group with the external auditors or its affiliates and procedures that must be followed. The contracts cannot be entered into should include:-
- (i) Management consulting;
 - (ii) Strategic decision;
 - (iii) Internal audit; and
 - (iv) Policy and standard operating procedures documentation.

In the event that the non-audit fees paid to the Company's External Auditors, or a firm or corporation affiliated to the External Auditors' firm are significant (eg constitute 50% of the total amount of audit fees paid to the Company's External Auditors) the Company is required to state the details on the nature of non-audit services-rendered in the ARMC Report. The non-audit services to be approved by the AC before they are rendered by the external auditors and its affiliates while taking into account the nature and extent of the non-audit services and the appropriateness of the level of fees.

Internal Audit

- (a) Review and report the same to the Board on the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- (b) Ensure the internal audit function is independent of the activities its audits and the internal auditors reports directly to the ARMC. The internal auditors should have the relevant qualifications and be responsible for providing assurance to the ARMC that the internal controls are operating effectively. The internal auditors will be responsible for the regular review and/or appraisal of the effectiveness of the internal control within the Company.
- (c) Review and report the same to the Board on the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken, and whether or not appropriate action is taken on the recommendations of the internal audit function;
- (d) Ensure that appropriate action is taken on the recommendations of the internal auditors, where necessary;
- (e) Review the assistance and co-operation given by the employees of the Company to the internal auditors;
- (f) Approve any appointment or termination of the internal auditors; and
- (g) Inform itself of the resignation of internal auditors and request the resigning firm to submit its reasons for resigning.

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- (h) ensure appropriate internal audit function which helps to accomplish the Company's goals by bringing an objective and disciplined approach to evaluate and improve the effectiveness of risk management, internal control, anti-corruption, whistleblowing and governance processes. This function serves as an important source of advice for the ARMC and the Board concerning areas of weaknesses or deficiencies in internal processes to facilitate appropriate remedial measures by the Company.

Risk Management

- (a) Review the adequacy of Group's risk management framework and assess the resources and knowledge of the Management and employee involved in the risk management process;
- (b) Review the effectiveness of internal control systems deployed by the Management to address those risks;
- (c) Review and recommend corrective measures undertaken to remedy failings and/or weaknesses;
- (d) Review and further monitor principal risks that may affect the Group directly or indirectly that if deemed necessary, recommend additional course of action to mitigate such risks in order to safeguard shareholders' investments and the Company's assets.
- (e) Communication and monitoring of risk assessment results to the Board; and
- (f) Actual and potential impact of any failing or weakness, particularly those related to financial performance or conditions affecting the Company.

Others

- (a) To consider any related party transaction and conflict of interest situation that may arise within the Group and the Company including any transaction, procedure or course of conduct that concern the management integrity;
- (b) To verify the allocation of Employees' Share Option Scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any; and
- (c) To consider other topics or subject matters as defined by the Board.

11. DISCLOSURE

The ARMC is required to prepare an ARMC Report at the end of each financial year to be included and published in the Annual Report of the Company. The ARMC Report shall include the following:

- (a) Composition of the ARMC, including the name, designation (indicating the Chairman) and directorship of the members (indicating whether the Directors are independent or otherwise);
- (b) Number of ARMC meetings held during the financial year and details of attendance of each ARMC member;
- (c) Summary of the work of the ARMC in the discharge of its functions and duties for that financial year of the Company and how it has met its responsibilities; and

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- (d) Summary of the work of the internal audit functions.
- (e) Instead the Committee must have written terms of reference which deal with its authority and duties and such information must be made available on the Company's website.

The ARMC shall assist the Board in making the following additional statements in the Company's Annual Report:

- (a) Statement explaining the Board's responsibility for preparing the annual audited financial statements of the Group; and
- (b) Statement about the state of risk management and internal controls of the Group.

12. REVISION OF THE TERMS OF REFERENCE

- (a) The Terms of Reference may from time to time be amended or as and when required, subject to the approval of the Board. Any revision or amendment to this Terms of Reference, as proposed by the ARMC or any third party, shall be presented to the Board for its approval.
- (b) Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and shall be considered duly revised or amended.
- (c) The duly revised or amended Terms of Reference shall be disclosed on the Company's website.

13. Approval

This Terms of Reference is reviewed and approved by the Board of Directors on 22 February 2022.