

NWE RESOURCES GROUP BERHAD

[Registration No.: 202401037003 (1582850-V)]

(Incorporated in Malaysia)

INTERNAL AUDITORS' ASSESSMENT POLICY

1. INTRODUCTION

The Audit and Risk Management Committee ("ARMC") of NWE Resources Group Berhad ("Company") is responsible for the appointment of the Company's Internal Auditors, as well as for determining its remuneration. The ARMC is entrusted by the Board of Directors ("Board") to review, assess, and monitor the performance, suitability, and independence of the Internal Auditors.

The objective of this Internal Auditors Assessment Policy ("Policy") is to outline the guidelines and procedures for the ARMC to review, assess, and monitor the performance, suitability, and independence of the Internal Auditors.

2. SELECTION AND APPOINTMENT PROCEDURES

The ARMC plays a principal key role in reviewing the scope and result of the Internal Auditors' functions together with the elements of independence and objectivity of the Internal Auditors. The ARMC is responsible for reporting to the Board on the appointment, re-appointment and removal of the Company's Internal Auditors.

The following are the procedures for the selection and appointment of Internal Auditors when there is a need to appoint new Internal Auditors due to the resignation, retirement or removal of the existing Internal Auditors:-

- i. To identify the internal audit firms which meet the criteria for appointment and to request their proposals of engagement for consideration;
- ii. To assess the proposals received and shortlist the suitable internal audit firms;
- iii. To meet and/or interview the shortlisted internal audit firms; and
- iv. To finalise a suitable internal audit firm to the Board for appointment as Internal Auditors of the Company.

The ARMC may delegate or seek the assistance of the Group Managing Director/Executive Director(s) and/or Head of Finance or Chief Financial Officer or Financial Controller (or any equivalent position) to carry out items (i) and (ii) above.

The following are some of the criteria to be considered by the ARMC in the selection of Internal Auditors:

- a. Adequacy of resources and experience of the internal audit firm;
- b. Quality processes of the internal audit firm;
- c. Competency of the engagement team;
- d. Governance and independence;
- e. Internal audit fee, scope and planning; and
- f. Internal audit reports and communications.

3. ASSESSMENT OF INDEPENDENCE

The Internal Auditors are precluded from providing any services that may impair their independence or conflict with their role as Internal Auditors.

The ARMC shall obtain a written assurance from the Internal Auditors confirming that they are, and have been, independent throughout the conduct of the internal audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

4. INTERNAL AUDIT ENGAGEMENT FEES

The ARMC is tasked with the role of ensuring that the fees payable to the Internal Auditors are fair and realistic in terms of the size and complexity of the internal audit functions.

5. ANNUAL PERFORMANCE ASSESSMENT

The ARMC shall carry out an annual performance assessment of the Internal Auditors and may request the Managing Director/Executive Director(s) to join the assessment.

6. REVIEW OF THIS POLICY

The ARMC will review this Policy from time to time and make any necessary amendments to ensure it remains consistent with the ARMC's objectives and responsibilities.