



TERM OF REFERENCE FOR AUDIT COMMITTEE

COMPOSITION

- (a) The Board of Directors shall elect an Audit Committee from among themselves comprising of not less than three (3) members.
- (b) The audit committee should comprise solely of independent directors.
- (c) At least one (1) member –
 - i. must be a member of the Malaysian Institute of Accountants; or
 - ii. if he/she is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and :-
 - he/she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - he/she must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or.
 - iii. fulfills such other requirements as prescribed or approved by the Exchange.
- (d) Alternate director shall not be appointed as a member of the Audit Committee.
- (e) If membership of the Committee for any reason falls below three (3) members, the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to fulfill the minimum requirement.
- (f) The members of the Audit Committee shall elect a chairman from amongst themselves who shall be an independent director.
- (g) The Company Secretary or their nominee shall act as the Secretary of the Committee.
- (h) The term of office and performance of the Audit Committee and each of the members shall be reviewed by the Nomination Committee annually.
- (i) Should a former key audit partner be appointed as a member of the Audit Committee, he/she must observe a cooling-off period of at least two years before the appointment.



FUNCTION

- (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 in order 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 management for distribution to shareholders and the general public.
- (e) Provide direction and controls over the internal audit function and the External auditors.

AUTHORITY

- (a) The Committee is authorised by the Board to investigate any activity within its terms of reference. It has free access to all information and documents it requires for the purpose of discharging its functions and responsibilities.
- (b) The Audit Committee is also authorised to obtain outside legal or other independent professional advice as it considers necessary.
- (c) The Committee is allowed to have direct communication channels to deal with the external auditors and person(s) carrying out the internal audit function or activity (if any).
- (d) The Committee should have all the necessary resources to perform its duties.
- (e) The Committee will be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.
- (f) The Committee will be able to make relevant reports when necessary to the relevant authorities if a breach of the Listing Requirements of Bursa Securities occurred.
- (g) The Committee will make recommendations to the Board in risk related matters in advisory capacity.



DUTIES AND RESPONSIBILITIES

- (a) To review the maintenance of an effective accounting system and internal controls in the business processes.
- (b) To review the company's accounting policies and reporting requirements to ensure compliance with the relevant laws and standards.
- (c) To assess the adequacy of management reporting.
- (d) To review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work.
- (e) To review the assistance given by the company's officers to the auditors.
- (f) To consider the appointment, resignation and dismissal of External Auditors and the audit fee.
- (g) To liaise directly between the external auditors, the management and the Board as a whole, particularly with regard to the audit plan and audit report.
- (h) To review the findings of internal and external auditors (as the case may be) on internal controls and other audit comments.
- (i) To review the external and internal audit plan and their reports and to ensure that appropriate actions are taken on the recommendations of the internal audit reports.
- (j) To review the quarterly results and year-end financial statements of the Company and its group, prior to the approval by the Board, focusing particularly on:-
 - changes in or implementation of major accounting policy changes;
 - significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed; and
 - compliance with accounting standards and other legal requirements;
- (l) To review any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (m) To verify the allocation of Employees' Share Option Scheme ("ESOS") in compliance with the criteria as stipulated in the By Law of ESOS of the Company, if any
- (n) To review the annual Statement on Risk Management and Internal Control to be published in the Annual Report.
- (o) Review and recommend the Group Risk Management Policy Framework which specifies key policies and strategies, for approval of the Board.
- (p) Review the Risk Management Report from the Risk Management Working Committee, any significant risks, mitigation actions and make relevant recommendation to the Board for necessary actions.



PROCEEDINGS OF MEETINGS

- (a) A majority of the members, who are independent directors, present, being not less than two (2), shall form a quorum.
- (b) Meetings will be held not less than four (4) times a year. Additional meetings may be held as and when necessary, upon request by any Committee member, the Management, Internal or External Auditors.
- (c) The Group Accountant, the Internal Auditors, and a representative of the External Auditors are normally invited to attend meetings. Other members of the Board of Directors and employees shall attend the meetings only at the Committee's invitation.
- (d) The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- (e) A resolution in writing signed or approved by letter or via facsimile transmission by all Audit 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 Audit Committee member.
- (f) The Audit Committee shall meet with the external auditors without the presence of Executive Directors and the management at least once a year.
- (g) Minutes of Committee meetings shall be kept and circulated to each member of the Audit Committee and to the Chairman of the Board and made available on request to other members of the Board.

REPORTING OF BREACHES TO THE EXCHANGE

Where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Bursa Malaysia Listing Requirements, the Committee has the responsibility to promptly report such matter to Bursa Malaysia Securities Berhad.

Reviewed on 25 October 2018