

Terms of Reference of The Audit Committee

1.0 Composition

- 1.1 The Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall consist of not less than three (3) members, all members of Committee must be non-executive Directors, with a majority of Committee members shall be independent directors.
- 1.2 The Board shall at all times ensure that at least one (1) member of the Audit Committee:-
- (i) must be a member of the Malaysian Institute of Accountants (MIA); or
 - (ii) if he or she is not a member of the Malaysian Institute of Accountants, he or she must have at least 3 years' working experience and :
 - he or she must have passed the examinations specified in Part I of the 1st schedule of the Accountants Act 1967; or
 - he or she must be a member of one of 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 Bursa Malaysia Securities Berhad.
- 1.3 The Company shall ensure that no Alternate Director is appointed as a member of the Audit Committee.
- 1.4 The Chairman of the Audit Committee shall be elected among the members of the Audit Committee and shall be an independent director.
- 1.5 The Board of Directors must review the term of office and performance of the Audit Committee and each of its members at least once every three (3) years.

2.0 Procedures and Meetings

- 2.1 The Audit Committee meetings shall be held at least 4 times in a financial year and more frequently if circumstances require.
- 2.2 The quorum of meetings of the Audit Committee shall consist of not less than two (2) members; the majority of members present must be independent Directors.
- 2.3 In the absence of the Audit Committee Chairman, the remaining Audit Committee members present shall elect one of themselves (who shall be an independent Director) to chair the meeting.
- 2.4 The Company Secretary shall act as Secretary of the Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.

Terms of Reference of The Audit Committee

- 2.5 The Audit Committee may, as and when deemed necessary, invite other Board members, senior management personnel, a representative of the external auditors and external independent professional advisers to attend the meetings.
- 2.6 In addition to the availability of detailed minutes of the Committee Meetings to the Board of Directors, the Committee at each Board Meeting will report a summary of significant matters and resolutions.

3.0 Authority

- 3.1 The Audit Committee is authorized by the Board to investigate any matter within its terms of reference. It shall have the authority to seek any information it requires from any employee of the Group and all employees are directed to co-operate with any request made by the Audit Committee.
- 3.2 The Audit committee shall have the resources that are required to perform its duties. The Committee can obtain, at the expenses of the Company, external legal or other independent professional advice it considers necessary.
- 3.3 The Audit Committee shall have full and unrestricted access to any information pertaining to the Company and the Group.
- 3.4 The Audit Committee shall have direct communication channels with the External and Internal Auditors.
- 3.5 Where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee shall promptly report such matter to the Bursa Malaysia Securities Berhad.

4.0 Duties and Responsibilities

- 4.1 The Audit Committee shall review the following and report to the Board of Directors:-

(a) External Auditor

- the audit plan and scope of their audits, including any changes to the planned scope of the audit plan.
- their evaluation of the system of internal controls
- the audit fee and on matter concerning their suitability for nomination, appointment and re-appointment and the underlying reasons for resignation or dismissal as Auditors
- the assistance given by the employees to the external auditors, and any difficulties encountered in the course of the audit work

Terms of Reference of The Audit Committee

(b) Internal Auditor

- the adequacy and relevance of the scope, functions, competency and resources of the internal audit function and the necessary authority to carry out its works;
- the internal audit function will report directly to the Audit Committee
- the appraisal of the performance of the internal audit function including that of the senior staff and any matter concerning their appointment and termination.
- the internal audit reports pertaining to the effectiveness of internal control, risk management and governance processes including compliance with the operational manuals, Securities commission's guidelines and listing requirements of Bursa Malaysia Securities Berhad and ensuring that the audit recommendations are promptly implemented by the management.
- the audit plan of work programme and results of internal audit processes including recommendations and action taken

(c) Audit Report

- Internal and external audit report together with management's responses to ensure that appropriate and prompt remedial action is taken by the management on major deficiencies in controls or procedures that are identified including status of previous audit commendation
- Findings of internal investigations and related management response

(d) Financial Reporting

The quarterly results and year end financial statements of the Company and the Group for recommendation to the Boards of Directors for approval, focusing particularly on:-

- changes in accounting policies and practices
- significant adjustments arising from the audit
- significant and unusual events
- going concern assumption
- compliance with accounting standards and other legal requirements

(e) Related Party Transactions

Any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.



Terms of Reference of The Audit Committee

(f) Allocation of Share Options

Verification on the allocation of share options to ensure compliance with the criteria for allocation of share options pursuant to the share scheme for employees of the Group, if any.

(g) Other Functions

Any such other functions as the Audit Committee considers appropriate or as authorised by the Board of Directors.