

## **Audit Committee**

### **MEMBERSHIP**

Chairman : Tan Ah Lai  
(Independent Non-Executive Director)

Members : YBhg Dato Dr. Mohamad Musa bin Md. Jamil  
(Non-Independent Non-Executive Director)  
YBhg Datuk Tay Puay Chuan (Independent  
Non-Executive Director)

### **TERMS OF REFERENCE**

#### **Objectives**

The primary objective of the Audit Committee is to assist the Board in fulfilling their responsibilities relating to accounting and reporting practices of the Group. In addition, the Audit Committee will:-

- oversee and appraise the quality of the audit conducted by the Company's external auditors and where applicable, the internal auditors in order to strengthen the confidence of the public in the Group's reported results;
- maintain, by scheduling regular meetings, open lines of communication amongst the Board, the external auditors and where applicable the internal auditors, to exchange view and information as well as to confirm their respective authority and responsibilities;
- provide emphasis on the internal audit function by increasing the objectivity and independence of the internal audit personnel and provide a forum for discussion that is independent of management;
- review related party transactions entered into by the Company and the Group to ensure that such transactions are undertaken on the Group's normal commercial terms and that the internal control procedures with regards to such transactions are sufficient;
- provide assistance to the Board in fulfilling its fiduciary responsibilities relating to the Company's administrative, operating and accounting controls; and
- act upon the Board's request to investigate and report on any issues or concerns on the management of the Group.

#### **Composition**

The Audit Committee shall be appointed by the Board from among their members and composed no fewer than three (3) members. All the Audit Committee members must be Non-Executive Directors of which a majority shall be Independent Directors. No alternate director is appointed as a member of the Audit Committee.

At least one (1) Member of the Audit Committee:-

- must be a Member of the Malaysian Institute of Accountants (MIA); or
- if he is not a Member of MIA, he must have at least three (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; or
- he must have
  - a degree/masters/doctorate in accounting or finance and at least three (3) years' post qualification experience in accounting or finance; or
  - at least seven (7) years' experience being a chief financial officer of a corporation or having the function primarily responsible for the management of the financial affairs of a corporation.

The Members of the Audit Committee shall elect a Chairman from among their number who shall be an Independent Director.

In the event that if a Member of the Audit Committee vacates office resulting the total number reduced to below three (3), the Board shall, within three (3) months of that event, appoint a new Member to make up the minimum number of three (3).

### **Meetings**

The Audit Committee will meet at least once a quarter and such additional meetings as the Chairman shall decide in order to fulfill its duties. In addition, the Chairman may call a meeting if a request is made by any Committee member, the Company's Managing Director/Chief Executive Officer, the external auditors or the internal auditors where applicable. However, the Audit Committee should meet with the external auditors without the presence of the executive directors, at least twice a year. The Chairman may appoint a secretary responsible for keeping the minutes of meetings of the Audit Committee, and circulating them to Audit Committee members and to other members of the Board.

A quorum for a meeting shall be two (2) members with the majority of the members present shall be Independent Directors. The Board must prepare an Audit Committee Report at the end of the financial year in the Annual Report of the Company which summarises the Audit Committee's activities during the year and the related significant findings noted.

### **Authority**

The Audit Committee is authorised to investigate any activity of the Company within its Terms and Reference and all employees shall be directed to co-operate with any request made by the Audit Committee. The Audit Committee shall have unrestricted access to any information pertaining to the Company and have direct communication channels with the external and

internal auditors, when applicable and to the senior management of the Group. The Audit Committee shall be empowered to retain persons or experts having special competence as necessary to assist the Audit Committee in fulfilling its responsibilities.

### **Duties and Responsibilities**

The duties and responsibilities of the Audit Committee shall be as follows:-

- to consider and recommend the appointment or re-appointment of the external auditors, the audit fees and questions of resignation or dismissal;
- to oversee all matters pertaining to audit including the review of the audit scope and audit plan based on the external auditors' presentation of audit strategy and plan; and audit report with the external auditors;
- to review the financial statements of the Company/Group, and to discuss problems and reservations arising from the interim and final results, and any matters that the external auditors may wish to discuss (in the absence of the management where necessary);
- to review the unaudited financial results announcements before recommending them for Board's approval.
- to convene meetings with the external auditors, the internal auditors or both excluding the attendance of other directors and employees of the Group, whenever deemed necessary;
- to develop and review for recommendation to the Board, the Company's policy in relation to the provision of non-audit services by the external auditors and/or its network firms, which takes into consideration:
  - whether the skills and experience of the audit firm make it a suitable service provider for non-audit services;
  - whether there are safeguards to eliminate or reduce to an acceptable level any threat to the objectivity or independence of the external auditors in the conduct of external audit resulting from non-audit services provided by the external auditors; and
  - the nature of the non-audit services and the fee level or threshold permitted in relation to the audit fees payable to the external auditors and/or its network firms for each financial year;
- to review the non-audit services provided by the external auditors and/or its network firms to the Group for the financial year, including the nature of the non-audit services, fee level or threshold of the non-audit services, individually and in aggregate, relative to the external audit fees and safeguards deployed to eliminate or reduce the threat to objectivity and independence in the conduct of the external audit resulting from the non-audit services provided;
- in relation to the internal audit function :
  - to review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its works;

- to review the internal audit programme, results of the internal audit process and implementation of the recommendations of the internal audit function through follow up audit reports as to ensure that appropriate action is taken on these recommendations;
  - to suggest on additional improvement opportunities in the areas of internal control, systems and efficiency improvement;
  - to review the appointment or re-appointment of the internal auditors, the audit fee and questions of resignation or dismissal;
  - to review and approve the risk management framework from time to time and any significant proposed changes to risk management policies and strategies; and
  - to review the Statement on Risk Management and Internal Control to be published in this Annual Report;
- to review any related parties transactions that may arise within the Company or the Group;
  - to exercise its power and carry out its responsibility as may be required from time to time under the whistle-blowing policy as and when necessary;
  - to ensure that the Group is in compliance with the regulations of the Companies Act 2016, Listing Requirements and other legislative and reporting requirements;
  - to identify and direct any special project or investigate and to report on any issues or concerns in regards to the management of the Group; and
  - to commission such investigations or reviews relevant to its role as it sees fit.