

TERMS OF REFERENCE FOR AUDIT COMMITTEE

1. Objectives

The principal objectives of the Audit Committee are to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the Company and each of its subsidiaries. In addition, the Audit Committee shall:

- (a) Evaluate the quality of the audits performed by the internal and external auditors;
- (b) Provide assurance that the financial information presented by management is relevant, reliable and timely;
- (c) Oversee compliance with laws and regulations and observance of the code of conduct; and
- (d) Determine the quality, adequacy and effectiveness of the Group's control environment.

2. Composition

The Audit Committee shall be appointed by the Board of Directors and shall comprise no fewer than three (3) Non-Executive Directors. The majority of the Audit Committee members shall be Independent Directors. The Board shall at all times ensure that at least one (1) member of the Audit Committee:

- (a) Must be a member of Malaysia Institute of Accountants (MIA);
- (b) If he/she is not a member of the MIA, he/she must have at least three (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
 - Must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountant Act 1967; or
- (c) Fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

No alternate director of the Board shall be appointed as a member of the Audit Committee. The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Nomination Committee annually to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

3. Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board and at the expense of the Company,

- (a) Have explicit authority to investigate any matter within its terms of reference, the resources to do so and full access to information. All employees shall be directed to co-operate as requested by members of the Audit Committee;
- (b) Have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company and Group;
- (c) Obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary;
- (d) Have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any); and
- (e) Where the Audit Committee is of the view that the 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 Bursa Securities.

4. Meetings

The Audit Committee shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion. Upon the request of the external auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditors believe should be brought to the attention of the directors or shareholders. Notice of Audit Committee meetings shall be given to all the Audit Committee members unless the Audit Committee waives such requirement.

The Chairman of the Audit Committee shall engage on a continuous basis with senior management, including the Executive Directors, the internal auditors and the external auditors in order to be kept informed of matters affecting the Company. The Chief Financial Officer and representatives of the internal auditors and the external auditors should normally attend Audit Committee meetings. Other Board members and employees may attend meetings upon the invitation of the Audit Committee. The Audit Committee shall be able to convene meetings with the external auditors, the internal auditors or both, without executive Board members or employees present whenever deemed necessary and at least twice a year with the external auditors.

5. Duties and Responsibilities

The duties and responsibilities of the Audit Committee are as follows:

- (a) To consider the appointment of the external auditors, the audit fee and any question of resignation or dismissal;
- (b) To discuss with the external auditors before the audit commences, the nature and scope of the audit;
- (c) To review with the external auditors their evaluation of the system of internal controls and the audit report;
- (d) To review the quarterly and year-end financial statements of the Board, focusing particularly on:
 - Any change in accounting policies and practices;
 - Significant adjustments arising from the audit;
 - The going concern assumption; and
 - Compliance with accounting standards and other legal requirements;
- (e) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management, where necessary);
- (f) To review the external auditors' management letter and management's response;
- (g) To do the following, in relation to the internal audit function:
 - consider the appointment of the internal auditors, the audit fee and any question of resignation or dismissal;
 - 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 work
 - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
- (h) To consider any related party transactions 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;
- (i) To report its findings on the financial and management performance, and other material matters to the Board;
- (j) To consider the major findings of internal investigations and management's response;
- (k) To consider other topics as defined by the Board; and
- (l) To consider and examine such other matters as the Audit Committee considers appropriate.