

AUDIT COMMITTEE

TERMS OF REFERENCE

1.0 COMPOSITION OF AUDIT COMMITTEE

- 1.1 The Audit Committee shall have a minimum member of three (3) director, a majority of whom are independent directors.
- 1.2 The Chairman of the Audit Committee shall be an independent director.
- 1.3 All members of the Audit Committee shall be financially literate and at least one member:-
 - a. must be a member of the Malaysian Institute of Accountants; or
 - b. if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years working experience and:-
 - i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - ii) 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
 - iii) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

2.0 MEETING

- 2.1 The quorum for the meeting of the Audit Committee shall be two (2) members and the majority of the members present must be independent directors.
- 2.2 The meetings are to be held at least once every quarter or as and when necessary.
- 2.3 The meeting convened is to be properly documented and the secretary of the meeting shall be the Company Secretary of the Company. The secretary shall be responsible for the co-ordination of administrative details including calling the meetings and keeping of minutes.

3.0 DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

- 3.1 To review the following and report the same to the Board of Directors of the Company:-
 - a) with the external auditor, the audit plan;
 - b) with the external auditor, the external auditor's evaluation of the system of internal controls;

- c) with the external auditor, the external auditor's audit report;
- d) the assistance given by the employees of the Company to the external auditor;
- e) 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;
- f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not the appropriate action is taken on the recommendations of the internal audit function;
- g) the quarterly results and year end financial statements, prior to the approval by the board of directors, focusing particularly on:-
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events; and
 - (iii) compliance with accounting standards and other legal requirements;
- h) 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;
- i) any letter of resignation from the external auditors of the listed issuer; and
- j) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment; and

3.2 To recommend the nomination of a person or persons as external auditors.

4.0 AUTHORITY OF THE AUDIT COMMITTEE

- 4.1 In the performance of its duties and responsibilities, the Audit Committee shall:-
- a) have the authority to investigate any matter within its terms of reference;
 - b) have the resources which are required to perform its duties;
 - c) have full and unrestricted access to any information pertaining to the Company;
 - d) have direct communication channels with the external auditor and person(s) carrying out the internal audit function or activity;
 - e) be able to obtain independent professional or other advice; and
 - f) be able to convene meetings with the external auditor, excluding the attendance of the executive members of the committee, whenever deemed necessary.