

TERMS OF REFERENCE OF BOARD AUDIT & RISK MANAGEMENT COMMITTEE (“BARMC”)

Members

1. Oh Teik Khim (Chairman, independent non-executive director)
2. Datin Sri Azlin binti Arshad (Independent non-executive director)
3. Akil Hassan bin Kalimullah (Non-independent non-executive director)

Reporting

To report regularly to the Board of Directors (“Board”).

Membership

1. The BARMC must be composed of not less than 3 members.
2. The members must be non-executive directors, with a majority of them being independent directors.
3. The Chairman of the BARMC must be an independent director and is not the Chairman of the Board.
4. At least one member of the BARMC:
 - (i) must be a member of the Malaysian Institute of Accountants; or
 - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years’ working experience; and
 - (aa) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - (bb) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
 - (iii) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
5. A director who is a former partner of the external audit firm of the Company* can only be appointed as a member of the BARMC after he has passed a cooling-off period of at least 3 years before such appointment.
6. An alternate director must not be appointed as a member of the BARMC.

* This applies to all former partners of the audit firm and/or affiliate firm (including those providing advisory services, tax consulting and so forth).

Frequency of Meetings

There shall be at least 4 meetings in each financial year.

Quorum for Meetings

Any 2 members and the majority of members present must be independent directors.

Voting at Meetings

Questions arising at any meeting shall be decided by a majority of votes.

All deliberations including dissenting views and supervisory actions to be taken by management are to be minuted.

Written Resolutions

Approval of the BARMC may be obtained via written resolution if the said written resolution is signed by all the BARMC members and shall be as effective for all purposes as a decision passed at a duly convened meeting of the BARMC. Any such resolution may consist of several documents, including facsimile or other written electronic communications, in similar form and each document shall be signed by one or more BARMC members.

TERMS OF REFERENCE OF BOARD AUDIT & RISK MANAGEMENT COMMITTEE ("BARMC") – (cont'd)

Authority

1. have authority to investigate any matter within its terms of reference;
2. have the resources and unlimited access to any information pertaining to the Company and Group which are required to perform its duties;
3. have direct communication channels with the external auditors and internal auditors;
4. be able to convene meetings with the external auditors and internal auditors, excluding the attendance of other directors and employees of the Company and Group, whenever deemed necessary;
5. be able to obtain independent professional or other advice if required in the discharge of its duties, at the expense of the Company and with the approval of the Board.

Scope of responsibilities

1. To review the following and report the same to the Board:-
 - (a) nominate and recommend a person or persons as external auditors, and review the audit fees;
 - (b) with the external auditor, the audit plan;
 - (c) with the external auditor, his evaluation of the system of internal controls;
 - (d) with the external auditor, his audit report;
 - (e) the assistance given by the employees of the Group and the Company to the external auditor;
 - (f) the suitability, objectivity and independence of the external auditor for re-appointment;
 - (g) any letter of resignation from the external auditor;
 - (h) the quarterly results and year-end financial statements of the Group and the Company, focusing particularly on:-
 - changes in accounting policies and practices;
 - significant adjustments arising from the audit;
 - significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; the going concern assumption;
 - compliance with accounting standards and other legal requirements;
 - (i) 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;
 - (j) the internal audit plan and the findings of the internal auditors on internal audits undertaken and management's response and ensure that appropriate action is taken; and
 - (k) the Statement on Internal Control and Risk Management to be published in the annual report.
2. To review and report to the Board any related party transaction and conflict of interest situation that arose, persist or may arise within the Company or Group and the measures taken to resolve, eliminate or mitigate such conflicts.
3. To review and monitor the adequacy and integrity of internal control and risk management systems.
4. To exercise its power and carry out its responsibilities as may be required from time to time under the Whistle Blowing Policy for the Group.
5. To report to the Board any suspected fraud or irregularities, serious internal control deficiencies or suspected infringement of laws, rules and regulations which come to its attention and are sufficient important to warrant the attention of the Board.
6. To consider any other function or duty as may be agreed to by the BARMC and the Board.