

AUDIT COMMITTEE COMPOSITION AND TERMS OF REFERENCE

- (a) The Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall comprise not less than three members, all of whom shall be Non-Executive Directors. The majority of the Committee members shall be Independent Directors.
- (b) At least one of the member of the Committee:-
- (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 three (3) years' working experience and
 - he must have passed the examinations specified in Part 1 of the First 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 First Schedule of the Accountants Act 1967; or
 - (iii) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
- (c) The members of the Committee shall elect a Chairman from among their number who shall be an Independent Director.
- (d) The Board of Directors must review the term of office and performance of the Committee and each of its members at least once every three years.

DUTIES AND RESPONSIBILITIES

- (a) To review the following and report the same to the Board of Directors of the Company:-
- (i) with the external Auditor the following:
 - the audit plan;
 - his evaluation of the system of internal controls;
 - his audit report; and
 - the assistance given by the employees of the Company to the external Auditor;
 - (ii) with the internal Auditor the following:
 - the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function; and
 - any appraisal or assessment of the performance of members of the internal audit function;

- (iii) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-
 - changes in accounting policies and practices;
 - significant adjustments arising from the audit;
 - significant and unusual events;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements;
 - (iv) 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.
- (b) To discuss problems and reservations arising from the interim and final audits, and any matter the Auditor may wish to discuss (in the absence of management where necessary);
 - (c) To consider the major findings of internal investigations and management's response;
 - (d) To recommend and consider the nomination and appointment of a person or persons as external Auditors, the audit fees and any question of resignation or dismissal; and
 - (e) To consider any other functions or duties as may be agreed to by the Committee and the Board.