

## **AUDIT COMMITTEE TERMS OF REFERENCE**

### **1. Membership**

- (a) The Audit Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of at least three (3) members, a majority of whom are Independent. All members of the Audit Committee shall be Non-Executive Directors and at least one (1) member of the Audit 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:-
    - (aa) he must have passed the examinations specified in Part 1 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.
- (b) No alternate Director shall be appointed as a member of the Audit Committee.
- (c) In the event any vacancy in the Audit Committee resulting in the non-compliance of item (a) above, the vacancy must be filled within three (3) months of that event.
- (d) The Nomination Committee must review the term of office and performance of an Audit Committee and each of its members annually to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

### **2. Quorum**

A quorum of two (2) members and the majority of members present shall be Independent Directors.

### **3. Chairman**

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

### **4. Secretary**

The Company Secretary shall be the Secretary of the Audit Committee.

### **5. Meetings**

Meetings shall be held at least four (4) times a year. Additional meetings may be called at any time at the discretion of the Chairman of the Audit Committee.

Other members of the Board and senior management may attend meetings upon the invitation of the Audit Committee. The Audit Committee shall meet with the external auditors without executive Board members present, where necessary.

Meetings of the Audit Committee shall be governed by the provisions of the Company's Articles of Association relating to Board meetings except in so far as the same are not amended in these terms of reference.

Minutes of each Audit Committee meeting shall be kept and distributed to all Audit Committee members. The minutes of the Audit Committee meeting shall be presented at the Board meeting and the Chairman of the Audit Committee shall report on each Audit Committee meeting to the Board.

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### **6. Duties and responsibilities**

The functions of the Audit Committee shall be

- (a) to review:-
  - i) with the external auditors, the audit plan;
  - ii) with the external auditors, his evaluation of the system of internal controls;
  - iii) with the external auditors, his audit report;
  - iv) the assistance given by the employees of the Company to the external auditors;
  - v) the adequacy of the scope, the functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
  - vi) the internal audit programmes, processes, the results of the internal audit programmes, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
  - vii) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:-
    - (aa) changes in or implementation of major accounting policy changes;
    - (bb) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;
    - (cc) compliance with accounting standards and other legal requirements; and
    - (dd) going concern assumption.
  - viii) 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;
  - ix) any letter of resignation from the external auditors of the Company;
  - x) whether there is reason (supported by grounds) to believe that the Company's external auditors is not suitable for re-appointment
  - xi) review any appraisal or assessment of the performance of members of the internal audit function;
  - xii) review and approve any appointment or termination of senior staff members of the internal audit function; and
  - xiii) take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning
- (b) to consider:-
  - i) the major findings of internal investigations and management's response;
  - ii) other topics as defined by the Board; and
  - iii) the nomination of a person or persons as external auditors together with such other functions as may be agreed by the Audit Committee and the Board.
- (c) to discuss problems and reservations arising from the interim and final audits, and any matter that the external auditor may wish to raise (in the absence of management, where necessary).

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### **7. Authority**

The Audit Committee shall have the authority to:-

- (a) 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 auditors and person(s) carrying out the internal audit function or activity (if any);
- (e) obtain advice from independent parties and other professionals in the performance of its duties; and
- (f) convene meetings with the external auditors and the person(s) carrying out the internal audit function or activity, without the attendance of the executive board members present, where necessary.

## **NOMINATION COMMITTEE TERMS OF REFERENCE**

### **1. Membership**

The Nomination Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of at least two (2) members, a majority of whom are Independent. All members of the Nomination Committee shall be Non-Executive Directors.

### **2. Quorum**

A quorum shall consist of two (2) members.

### **3. Chairman**

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

### **4. Secretary**

The Company Secretary shall be the Secretary of the Nomination Committee.

### **5. Meetings**

Meeting shall be held at least once a year. Additional meetings may be called at any time at the discretion of the Chairman of the Nomination Committee.

The Nomination Committee may invite any other Directors, management and staff to be in attendance during meetings to assist in its deliberation.

Meetings of the Nomination Committee shall be governed by the provisions of the Company's Articles of Association relating to Board meetings except in so far as the same are not amended in these terms of reference.

Minutes of each Nomination Committee meeting shall be kept and distributed to all Nomination Committee members. The minutes of the Nomination Committee meeting shall be presented at the Board meeting and the Chairman of the Nomination Committee shall report on each Nomination Committee meeting to the Board.

### **6. Duties and Responsibilities**

The Nomination Committee is responsible for:-

- (a) Establishing minimum requirements for the Board i.e. required mix of skills, experience, qualification and other core competencies required of a Director. The Nomination Committee is also responsible for establishing minimum requirements for the Managing Director. The requirements and criteria should be approved by the Board;
- (b) Recommending and assessing the nominees for directorship, Board committee members as well as for nominees for the Managing Director. The actual decision as to who shall be nominated should be the responsibility of the Board;
- (c) Overseeing the overall composition of the Board, in terms of the appropriate size and skills, and the balance between Executive Directors, Non-Executive Directors and Independent Directors through annual review;

## **NOMINATION COMMITTEE TERMS OF REFERENCE**

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- (d) Recommending to the Board the removal of a Director/Managing Director from the Board/management if the Director/Managing Director is ineffective, errant and negligent in discharging his responsibilities;
- (e) Establishing a mechanism for the formal assessment on the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board, the contribution of the Board's various committees and the performance of the Managing Director and other key senior management officers. Annual assessment should be conducted based on an objective performance criterion. Such performance criteria should be approved by the Board;
- (f) Ensuring that all Directors receive an appropriate continuous training program in order to keep abreast with the latest developments in the industry;
- (g) Overseeing the appointment, management succession planning and performance evaluation of key senior management officers;
- (h) Recommending to the Board the removal of key senior management officers if they are ineffective, errant and negligent in discharging their responsibilities; and
- (i) To perform any other functions as defined by the Board.

### **7. Authority**

- (a) The Nomination Committee is authorised by the Board to act within its terms of reference, to obtain the resources which it requires including but not limited to obtaining advice from expert advisers, both internal and external, and to have full and unrestricted access to information to enable the Nomination Committee to fulfill its objectives.
- (b) Each and every member of the Nomination Committee shall be vested with such power and authority, specific or general, as may from time to time be decided upon by the Board.
- (c) The actual decision as to who shall be nominated should be the responsibility of the Board after considering the recommendations of the Nomination Committee.

## **REMUNERATION COMMITTEE TERMS OF REFERENCE**

### **1. Membership**

The Remuneration Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of at least two (2) members of whom the majority shall be Independent.

### **2. Quorum**

A quorum shall consist of two (2) members.

### **3. Chairman**

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

### **4. Secretary**

The Company Secretary shall be the Secretary of the Remuneration Committee.

### **5. Meetings**

Meeting shall be held at least once a year. Additional meetings may be called at any time at the discretion of the Chairman of the Remuneration Committee.

The Remuneration Committee may invite any other Directors, management and staff to be in attendance during meetings to assist in its deliberation.

Meetings of the Remuneration Committee shall be governed by the provisions of the Company's Articles of Association relating to Board meetings except in so far as the same are not amended in these terms of reference.

Minutes of each Remuneration Committee shall be kept and distributed to all Remuneration Committee members. The minutes of the Remuneration Committee meeting shall be presented at the Board meeting and the Chairman of the Remuneration Committee shall report on each Remuneration Committee meeting to the Board.

### **6. Duties and Responsibilities**

The Remuneration Committee is responsible for:-

- (a) Recommending a framework of remuneration for Directors, Managing Director and key senior management officers for the Board's approval. There should be a balance in determining the remuneration package, which should be sufficient to attract and retain Directors of calibre, and yet not excessive. The framework should cover all aspects of remuneration including Director's fee, salaries, allowance, bonuses, options and benefit-in-kind.
- (b) Recommending specific remuneration packages for Executive Directors and the Managing Director. The remuneration package should be structured such that it is competitive. Salary scales drawn up should be within the scope of the general business policy and not be dependant on short-term performance to avoid incentives for excessive risk-taking. As for Non-Executive Directors and Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board.

## **REMUNERATION COMMITTEE TERMS OF REFERENCE**

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- (c) To ensure the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of Executive Directors, management and staff.
- (d) To perform any other functions as defined by the Board.

### **7. Authority**

- (a) The Remuneration Committee is authorised by the Board to act within its terms of reference, to obtain the resources which it requires including but not limited to obtaining advice from expert advisers, both internal and external, and to have full and unrestricted access to information to enable the Remuneration Committee to fulfill its objectives.
- (b) Each and every member of the Remuneration Committee shall be vested with such power and authority, specific or general, as may from time to time be decided upon by the Board.

## **RISK MANAGEMENT COMMITTEE TERMS OF REFERENCE**

### **1. Membership**

The Risk Management Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than two (2) Independent Non-Executive Directors.

### **2. Quorum**

A quorum shall consist of two (2) members.

### **3. Chairman**

The Chairman of the Risk Management Committee shall be elected from amongst the members of the Risk Management Committee.

### **4. Secretary**

The Company Secretary shall be the Secretary of the Risk Management Committee.

### **5. Meetings**

Meeting shall be held at least twice a year. Additional meetings may be called at any time at the discretion of the Chairman of the Risk Management Committee.

The Risk Management Committee may invite any other Directors, management and staff to be in attendance during meetings to assist in its deliberation.

Meetings of the Risk Management Committee shall be governed by the provisions of the Company's Articles of Association relating to Board meetings except in so far as the same are not amended in these terms of reference.

Minutes of each Risk Management Committee shall be kept and distributed to all Risk Management Committee members. The minutes of the Risk Management Committee meeting shall be presented at the Board meeting and the Chairman of the Risk Management Committee shall report on each Risk Management Committee meeting to the Board.

### **6. Duties and Responsibilities**

The Risk Management Committee is responsible for:-

- (a) To oversee and recommend the risk management policies and procedures of our Group;
- (b) To review and recommend changes as needed to ensure that our Group has in place at all times a risk management policy which addresses the strategic, operational, financial and compliance risks;
- (c) To implement and maintain a sound risk management framework which identifies, assesses, manages and monitors our Group's business risks;



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- (d) To set reporting guidelines for management to report to the committee on the effectiveness of our Group's management of its business risks;
- (e) To review the risk profile of our Group including all our subsidiaries and to evaluate the measures taken to mitigate the business risks; and
- (f) To review the adequacy of management response to issues identified in risk registers, ensuring that our risks are managed within our Group's risk appetite.

### **7. Authority**

- (a) The Risk Management Committee is authorised by the Board to act within its terms of reference, to obtain the resources which it requires including but not limited to obtaining advice from expert advisers, both internal and external, and to have full and unrestricted access to information to enable the Risk Management Committee to fulfill its objectives.
- (b) Each and every member of the Risk Management Committee shall be vested with such power and authority, specific or general, as may from time to time be decided upon by the Board.