



MAJUPERAK HOLDINGS BERHAD

**TERMS OF REFERENCE FOR THE
AUDIT COMMITTEE**

MAJUPERAK HOLDINGS BERHAD (585389-X)
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AUDIT COMMITTEE**

Membership

The Audit Committee shall be appointed by the Board of Directors from amongst their members (who are not alternate directors or executive directors), comprising at least three (3) members with a majority of them being independent directors. All members of the Committee shall be financially literate and at least one member of the Committee shall be a member of the Malaysian Institute of Accountants or fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

The term of office and performance of the committee and each of its members shall be reviewed annually by the Nomination Committee.

Chairman

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

Vacancy, Retirement and Resignation

All members, including the Chairman, will hold office only as long as they serve as directors of the Company. If for any reason the membership of the Committee fails to comply with the membership requirements, the Board shall within three (3) months of the event, appoint such number of new members as may be required to fill the vacancy.

Authority

The Audit Committee is authorised by the Board to investigate any activities within its terms of reference. It can seek outside legal or other independent professional assistance if it considers necessary.

The Audit Committee shall in principle have full, free and unrestricted access to any information pertaining to the Company and its Group in carrying out their duties.

Duties

- (a) To recommend to the Board the appointment and reappointment of the external auditors, audit fee and any question of their resignation or dismissal.
- (b) To discuss with the external auditors before the audit commences, the audit plan, their evaluation of the system of internal control and the audit reports on the financial statements and the assistance given by the Company's officers to the external auditors.

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- (c) To review the quarterly financial reports and annual financial statements before submission to the Board focusing particularly on: -
- Changes in or implementation of major accounting policy changes;
 - Significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and
 - Compliance with accounting standards and other legal requirements.
- (d) To discuss the outcome of the interim and final audit, and any matters the auditors may wish to discuss ensuring that no management restrictions are being placed on the scope of their examinations.
- (e) To review the adequacy of the scope, function, competency and resources and the effectiveness of the internal audit function.
- (f) To review the internal audit programme, processes, the results of the internal audit programme, process or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
- (g) To review the Risk Management Framework of the Group, the significant risks identified for the Group and the findings highlighted by the Internal Auditors.
- (h) To review any related party transaction and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (i) To maintain, through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as internal auditors.
- (j) To prepare an Audit Committee Report, for the consideration of the Board at the end of each financial year, for inclusion in the Annual Report of the Company.
- (k) To report to Bursa Malaysia Securities Berhad where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Malaysia Securities Berhad.
- (l) Establish policies and procedures to assess the suitability and independence of the external auditors taking into account the provision of non-audit services will not impair their independence and to obtain written assurance from the external auditors that the conduct of audit engagement is in accordance with the terms of all relevant professional and regulatory requirements.
- (m) Carry out the responsibilities as required under Whistle Blowing Policy and Procedures upon receiving reports on misconduct, wrongdoing, corruption, fraud, waste and/or abuse.

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Meetings

The Audit Committee shall meet at least four (4) times a year, although additional meetings may be called at any time at the Chairman's discretion and if requested by any member or internal or external auditors. The Committee may convene meetings with the external auditors, the internal auditors or both excluding the attendance of other directors and employees of the Company, whenever deemed necessary. The Committee may invite any person to be in attendance at each meeting.

The Chairman of the Audit Committee shall engage on a continuous basis with senior management, such as the Chairman of the Company, the Chief Executive Officer, the Finance Director (if any), the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

A meeting shall be called by notice in writing of not less than seven (7) days or such shorter notice as may be agreed by the members.

The quorum for each meeting shall be two (2) members, the majority of members present must be independent members.

Minutes

Minutes of each meeting shall be kept and distributed to each member of the Committee and the Board. The Chairman shall report on each meeting to the Board. The minutes book shall be opened to the inspection of any director of the Company. The secretary to the Committee shall be the Company Secretary.

Dated: 24 April 2019