

TERM OF REFERENCE OF AUDIT & RISK MANAGEMENT COMMITTEE

The Audit & Risk management Committee is a committee of the Board of Directors. The Committee does not have executive powers.

1. Membership of the Audit & Risk Management Committee

The Audit & Risk Management Committee comprises at least three members of the Board of Directors of which at least two-thirds of the Committee members are Independent Directors. The members choose their chair from the Independent composition of the Committee.

The Committee members are appointed by the Board of Directors, which in its opinion would exercise independent judgement based on the structure and composition of the Committee.

The Secretary to the Board of Directors shall also be secretary of this Committee.

2. Meetings of the Audit & Risk Management Committee

The Audit & Risk Management Committee meets at least four times a year during the finalisation of the financial accounts of the Company and the Group for the quarterly announcements to Bursa Malaysia Securities Berhad. The principal focus of any other meeting(s) will be on management control and internal audit.

At the request of the Chair, the other Executive Directors and other executives (in particular the Head of Internal Audit) will be in attendance at Committee meetings or for selected agenda items. The representatives of the external auditors may also be invited to attend the meetings.

The Audit & Risk Management Committee has the authority to convene meetings with the external auditors and/or the internal auditors without the presence of other Directors and employees of the Company, whenever deemed necessary.

3. Reporting Line of the Audit & Risk Management Committee

The Audit & Risk Management Committee reports directly to the Board of Directors.

4. Responsibilities of the Audit & Risk Management Committee

The Audit & Risk Management Committee is responsible for the following:

- To examine the manner in which management ensures and monitors the adequacy of the nature, extent and effectiveness of accounting and internal control systems;
- To examine and review the adequacy and effectiveness of management and operations;
- To review the statutory accounts and other published financial statements and information;
- To monitor relationships with external auditors, to ensure that there are no restrictions on the scope of the statutory audit; to make recommendations on the auditors' appointment, remuneration and dismissal; and to review the activities, findings, conclusions and recommendations of the external auditors;
- To review arrangements established by management for compliance with regulatory and financial reporting requirements;
- To approve the appointment or termination of the Head of Internal Audit who shall report directly to the Committee and have a right of direct access to the Chair of the Committee at all times; to review 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; to receive and review reports from the Head of Internal Audit; and on occasion to commission audit engagements to be conducted on the Committee's behalf; and
- To perform any other duties as required by Bursa Malaysia Securities Berhad or any other regulatory bodies.

The purview of the Audit & Risk Management Committee extends to all the operations within the Company and the Group.

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