

# FGV



**AUDIT COMMITTEE  
TERMS OF REFERENCE**

**FGV HOLDINGS BERHAD**

**(VERSION 13.0)**

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 Chairman, Board of Directors

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# 1. INTRODUCTION

- 1.1. This Audit Committee Terms of Reference ("TOR" or the "Terms of Reference") sets out the requirements of the Board of Directors of FGV Holdings Berhad for the establishment of an Audit Committee, and the delegation of responsibilities to such committee, as at the date hereof. Paragraph 15.11,  
Listing Requirements
- 1.2. Unless otherwise stated the following applies:
- "AC" or "Committee" refers to the Audit Committee of FGV;
  - "Board Charter" refers to Board Charter of FGV;
  - "Bursa Malaysia" refers to Bursa Malaysia Securities Berhad;
  - Conflict of Interest ("COI") refers to the definition of COI in the prevalent Listing Requirements, Companies Act 2016, MCCG and the COI Policy of FGV;
  - "COI Policy" refers to Conflict of Interest Policy of FGV;
  - "Companies Act" refers to Companies Act 2016 and subsequent amendments;
  - "FGV Group" or "the Group" refers to FGV and its Group of Companies<sup>1</sup>;
  - "Group LOA" refers to the Limits of Authority of FGV Group;
  - "Listing Requirements" refers to Main Market Listing Requirements of Bursa Malaysia;
  - "listed subsidiaries" refers to FGV's subsidiaries which are listed on Bursa Malaysia;
  - "related party(ies)" refers to a director or major shareholder of FGV and persons connected with such director or major shareholders as defined under the Listing Requirements;
  - "related party transactions" refers to a transaction entered into by the listed issuer or its subsidiaries which involves the interest, direct or indirect, of a related party as defined under Listing Requirements;
  - "the Code" or "MCCG" refers to the Malaysian Code on Corporate Governance 2021 and subsequent amendments;
  - "the Board" refers to the Board of Directors of FGV;
  - "the Company" or "FGV" refers to FGV Holdings Berhad;
  - "Top Management" refers to the definition of Top Management stated under the Terms of Reference of Nomination And Remuneration Committee of FGV; and
  - "the Guide" refers to the Corporate Governance Guide issued by Bursa Malaysia.
- 1.3. In view of the mandatory nature of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (the "Listing Requirements"), the AC Terms of Reference aims to set out the terms of conduct of the AC with respect to relevant provisions of the Listing Requirements. In addition, the AC Terms of Reference also recognizes and aims to adopt related practices and guidance from the following documents:

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<sup>1</sup> FGV Group refers to include FGV's operating Subsidiaries, Associates and Jointly-Controlled Entities in which FGV holds a controlling interest, as established under the corporate structure of FGV.

- 1.3.1. The Malaysian Code on Corporate Governance 2021 and subsequent amendments (“the Code” or “MCCG”), which provides Principles, Intended Outcome, Practices and Guidance to promote greater internalisation of good governance and culture of integrity; and
- 1.3.2. The Corporate Governance Guide (“the Guide”) issued by Bursa Malaysia Securities Berhad (“Bursa Malaysia”), which seeks to enrich the application and actualisation of corporate governance practices by providing practical guidance to listed issuers and cultivate listed issuer’s appreciation on the drivers of sound corporate governance.

## **2. PURPOSE**

- 2.1. The AC TOR is established pursuant to the Listing Requirements as well as MCCG and is approved by the Board and is made available on the Company’s corporate website. Paragraph 15.11,  
Listing Requirements
- 2.2. The purpose of the Committee, set up under the Listing Requirements, is to assist the Board in fulfilling its roles and responsibilities with regards to:
  - 2.2.1. Assessing the risks and control environment;
  - 2.2.2. Overseeing and reviewing the Group’s management of financial risk processes, accounting and financial reporting practices;
  - 2.2.3. Reviewing the Group’s accounting function, financial reporting and the system of internal controls;
  - 2.2.4. Evaluating the internal and external audit processes and outcome to ensure independence of both the external and internal audit functions;
  - 2.2.5. Reviewing conflict of interest situations and related party transactions;
  - 2.2.6. Undertake any investigations within its Terms of Reference or as instructed by the Board; and
  - 2.2.7. Undertake any such other functions as may be determined by the Board from time to time.
- 2.3. The existence of the Committee does not diminish the Board’s ultimate statutory and fiduciary responsibility for decision-making relating to the functions and duties of the Committee.

### 3. MEMBERSHIP

- 3.1. The composition of the Committee shall be as follows: Paragraph 15.09(1)(a),  
Listing Requirements
- a) the Committee members shall be appointed by the Board selected amongst the members of the Board;
  - b) the Committee members shall comprise of not less than three (3) members;
  - c) no Alternate Director shall be appointed as a member of the Committee; and
  - d) all members of the Committee, including the Chairman, will hold office only so long as they serve as Directors of FGV.
- 3.2. All the members of the Committee must be Non-Executive Directors and a majority of whom must be Independent Directors free from any business or other relationship that, in the opinion of the Board, would materially interfere with the exercise of his or her independent judgment as a member of the Committee. Paragraph 15.09(1)(b),  
Listing Requirements
- 3.3. A former partner of the external auditors of the Company must observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee. A former partner of the external auditors of the Company include all former partners of FGV's external auditors firm and/or affiliate firm (including those providing advisory services, tax consulting, etc.). Practice 9.2,  
MCCG
- 3.4. No Alternate Director shall be appointed as a member of the Committee. Paragraph 15.09(2),  
Listing Requirements
- 3.5. At least one member of the Committee: Paragraph 15.09(1)(c),  
Listing Requirements
- 3.5.1. must be a member of the Malaysian Institute of Accountants; or
  - 3.5.2. if he/she is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' relevant working experience and:
    - (i) he/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
    - (ii) he/she 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
  - 3.5.3. fulfils such other requirements as prescribed by Bursa Malaysia.
- 3.6. Deleted
- 3.7. All members of the Committee shall be financially literate.
- 3.8. In the event a member of the Committee resigns, dies or for any other reason ceases to be a member, resulting in the above-mentioned Committee membership conditions not being fulfilled, the Board shall within three (3) months of that event Paragraph 15.19,  
Listing Requirements

appoint such number of new members as may be necessary to fulfil the requirements.

### 3.9. Quorum

3.9.1 To form a quorum for the Committee meeting, 50% of the members or not less than two (2) members of the Committee, whichever is higher, must be present at the meeting, with the majority of the members attending are Independent Non-Executive Directors.

Paragraph 15.18,  
Listing Requirements

3.9.2 In the absence of the Chairman of the Committee, the members present shall elect a Chairman for the meeting, who shall be an Independent Non-Executive Director from amongst the members present.

## 4. CHAIRMAN OF THE COMMITTEE

4.1. The Chairman of the Committee shall be determined by the Board and must be an Independent Non-Executive Director.

Paragraph 15.10,  
Listing Requirements

4.2. The Chairman of the Board should not be a member or Chairman of the Committee.

Practice 1.4 & 9.1,  
MCCG

## 5. SECRETARIES OF THE COMMITTEE

5.1. The Company Secretary and the CIA shall be the Secretaries of the Committee.

5.2. The Secretaries of the Committee shall be present to record proceedings of the Committee meetings.

5.3. The Secretaries of the Committee shall have the following responsibilities:

5.3.1. ensuring meetings are arranged and held accordingly;

5.3.2. assisting the Chairman of the Committee in planning the Committee's activities for the financial year;

5.3.3. drawing up meeting agenda in consultation with the Chairman of the Committee, and circulate the agenda, together with the relevant papers, at least five (5) business days prior to each of the Committee meeting;

5.3.4. ensuring structured communication (i.e. formal and prompt reporting) between the Board and the Committee;

5.3.5. ensuring proceedings of meetings are minuted and endorsed by the Chairman of the Committee before disseminating them to all Board members; and

5.3.6. ensure the Committee's recommendations presented to the Board are supported by explanatory papers, including report of the Committee or minutes that explains the rationale of the Committee's recommendations.

## 6. AUTHORITY

- 6.1. The Board authorised the Committee, within the scope of its duties and responsibilities set out in this Terms of Reference to: Paragraph 15.17,  
Listing Requirements
- 6.1.1. investigate or instruct investigation of any activity or matter within its Terms of Reference;
  - 6.1.2. acquire all the necessary resources to perform the activities required to discharge its responsibilities within its Terms of Reference and make relevant recommendations to the Board;
  - 6.1.3. have full and unrestricted access to anyone in the Group in order to conduct any investigation and any information pertaining to the Group;
  - 6.1.4. have full and unrestricted access to information pertaining to the Group, their records, properties and personnel in the Group, to obtain any information pertaining to the Group relevant for its purpose;
  - 6.1.5. maintain direct communication channels with the external auditors and the CIA (or his/her equivalent);
  - 6.1.6. obtain independent professional advice, as deemed necessary, to assist the Committee or any individual member of the Committee in the proper discharge of its roles, responsibilities and duties, at the expense of the Company. The Secretaries of the Committee with approval of the Committee or Chairman of the Committee or Chairman of the Board, will directly engage the external consultant;
  - 6.1.7. convene meetings with the external auditors, internal auditors or both, without the presence of other Directors and employees of the Group, whenever deemed necessary; and
  - 6.1.8. meet exclusively among itself, whenever deemed necessary;
- 6.2. The Committee may empower one or more of its members to meet or communicate with the external auditors and/or internal auditors independently.
- 6.3. The Top Management shall assist the Committee in discharging its responsibilities.
- 6.4. The Committee shall also be assisted by:
- 6.4.1 the GCFO, the designated person within management, to provide dedicated focus on planning, implementation, managing and running of all the finance activities of the Group, including budgeting, forecasting and negotiations as well as oversee all the financial operations of the Group, including accounting, financial reporting, tax, business control and

treasury, related party transactions including recurrent related party transactions; and

- 6.4.2 the CIA, the designated person within management, to provide advice concerning areas of weaknesses or deficiencies in internal processes to facilitate appropriate remedial measures by the company from its objective and disciplined approach to evaluate and improve the effectiveness of the Group's risk management, internal control, anti-corruption, whistleblowing and governance processes.

## **7. RESPONSIBILITIES AND DUTIES**

7.1. The key responsibilities of the Committee are as follows:

### **7.1.1. Assessing the internal control environment**

- a) To review the sufficiency and effectiveness of the Group's overall internal control framework, strategies, policies and systems and report to the Board, the results of annual review and internal control framework.
- b) To assess the effectiveness of the system of internal control vis-à-vis, control environment and compliance requirements of the Group, based on the results of the external and internal audits and assurances from the respective responsible persons.
- c) To be apprised of the risks facing the Group on a quarterly basis.

Practice 10.1 and 10.2,  
MCCG

### **7.1.2. Oversee financial reporting**

- a) To review the quarterly results and the year-end financial statements of the Group prior to approval by the Board, focusing particularly on:
  - (i) changes in accounting policies and practices, and its implementation;
  - (ii) significant adjustments arising from the audits;
  - (iii) significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
  - (iv) going concern assumption; and
  - (v) compliance with accounting standards, applicable financial reporting standards, regulatory and other legal requirements.
- b) To be vigilant of significant adjustments arising from the external audit and appropriateness of the going concern assumptions used in preparation of the financial statements.

Paragraph 15.12(1)(g),  
Listing Requirements



- c) To ensure that the finance function is equipped with the right personnel with the skills, experience, training, authority and adequate resources and the right infrastructure to support the financial reporting process.
- d) To review and recommend any policies relating to accounting, finance and internal control and endorse for the Board's approval.
- e) Provide assurance to the Board on the quality and reliability of any financial information issued publicly by the Group.

**7.1.3. Evaluating the internal and external audit process**

- a) To review with the external auditors the following:
  - (i) their audit plan and ensure coordination where more than one audit firm is involved; Paragraph 15.12(1)(a), Listing Requirements
  - (ii) their evaluation of the system of internal controls; Paragraph 15.12(1)(b), Listing Requirements
  - (iii) their audit report; Paragraph 15.12(1)(c), Listing Requirements
  - (iv) 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);
  - (v) the management letter and management's response; and
  - (vi) the adequacy of assistance given by Group employees to the external auditor; Paragraph 15.12(1)(d), Listing Requirements
- b) To review any letter of resignation from the external auditors and report the same to the Board; Paragraph 15.12(1)(i), Listing Requirements
- c) To review whether there is any reason that the external auditor is not suitable for reappointment, and make relevant recommendation to the Board; Paragraph 15.12(1)(j), Listing Requirements
- d) To recommend the nomination of a person or persons as external auditors (based on their competence, audit quality and resource capacity), including matters relating to the audit fee (appropriateness of audit fees to support a quality audit); Paragraph 15.12(2), Listing Requirements  
Practice 9.3, MCCG
- e) To ensure proper policies and procedures are established to assess the suitability, objectivity and independence of external auditors, including obtaining written assurance from external auditors confirming they are and have been, independent throughout the conduct of audit engagement in accordance with the terms of all relevant professional and regulatory requirements, the assessment should also consider information presented in the Annual Transparency Report of the external auditors; Practice 9.3, MCCG

- f) To set policy on non-audit services which may be provided by the external auditors, and conditions and procedures which must be adhered to by the external auditors in the provision of such services;
- g) To review and approve the engagement of any non-audit services by the external auditors before the non-audit services are rendered by the external auditors and its affiliates while taking into account the nature and extent of the non-audit services and the appropriateness of the level of fees to ensure that the external auditors' independence is maintained. The Committee must also ensure the external auditors do not inadvertently assume the responsibilities of management in the course of providing the non-audit services, thus jeopardising its independence status; Practice 9.3, MCCG
- h) In relation to the Group's internal audit function, to undertake the following:
- (i) ensure that the internal audit function is effective and able to function independently; Paragraph 15.27(1), Listing Requirements  
Practice 11.1, MCCG
  - (ii) review the adequacy of the scope of work, functions, competency, resources and budget of the Group's internal audit function and that it has the necessary authority to carry out its work, and report or make relevant recommendations to the Board; Paragraph 15.12(1)(e), Listing Requirements  
Practice 11.1 and 11.2, MCCG
  - (iii) approve the internal audit plan and review the results of the internal audit plan or investigation undertaken and whether or not appropriate action is taken on the recommendations of the Group's internal audit function, and report or make relevant recommendations to the Board; Paragraph 15.12(1)(f), Listing Requirements
  - (iv) review the effectiveness of the Group's internal audit function including compliance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and make recommendations necessary for improvement of the internal audit function; Practice 11.1 and 11.2, MCCG
  - (v) review any appraisal of or assessment of the performance (performance evaluation) of the Group's internal audit function; Practice 11.1, MCCG
  - (vi) approve any appointment or removal of the CIA; Practice 11.1, MCCG
  - (vii) appraise the performance, approve and recommend the remuneration (including annual increment, bonus and promotion) of the CIA and also endorse the promotion of the Group Internal Audit's personnel with guidance from Group Human Capital and Group Management Committee; and

(viii) take cognizance of resignation of the CIA and provide the resigning individual an opportunity to submit his/ her reasons for resigning.

**7.1.4. Reviewing conflict of interest situations and related party transactions (including recurrent related party transactions)**

Paragraph 15.12(1)(h),  
Listing Requirements

- a) To review any conflict of interests situation and related party transaction that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- b) In respect of Conflict of Interest ("COI"), AC:
  - (i) to review COI or potential COI situations to include those that arose or persist (in addition to those that may arise) and the measures taken to resolve, eliminate or mitigate such conflicts, as well as disclose them in the AC report. For this purpose, the AC's review and disclosure in the AC report must cover any COI that arose or might arise during the financial year as well as persisting COI from previous financial years;
  - (ii) to enhance AC report with disclosure on a summary of any COI or potential COI situation within the listed issuer or group that the AC has reviewed (excluding a RRPT), and the measures taken to resolve, eliminate, or mitigate such conflicts;
  - (iii) to recommend and report to the Board the COI or potential COI situation and measures taken to resolve, eliminate or mitigate such conflicts; and
  - (iv) to carry out the above in accordance with the Board Charter, COI Policy, MCCG and the Guide.
- c) In respect of related party transactions, including recurrent related party transactions to:
  - (i) ensure that the Group has adequate procedures and processes to identify, and where relevant, monitor and track related party transactions in a timely manner, and to review these procedures and processes annually;
  - (ii) assess the sufficiency of the procedures, policies and terms of the related party transactions to ensure that the transactions are fair, reasonable and on normal commercial terms; are not more favourable to the related party than those generally available to the public and are not detrimental to minority shareholders and in the best interest of the Group;

Paragraph 15.15(3)(f),  
Listing Requirements

- (iii) where the related party transactions are not comparable to quotations or comparative pricing with unrelated third parties, to review the basis of the transaction price determined by the management in comparison to transactions by/to unrelated parties for substantially similar type transaction for approval by the Board; and
- d) To review the disposal of fixed assets relating to transactions with related party companies or external parties with percentage ratio as set out in the Group LOA.
- e) To review account receivables write-off under related party transactions with percentage ratio as set out in the Group LOA.
- f) Related party transactions and conflict of interest situations shall be a permanent agenda item of the Committee meetings.

#### **7.1.5. Other responsibilities and duties**

- a) To consider any concerns raised by external auditors pertaining to a breach or non-performance of any requirement of any rules or matters that may materially affect the financial position of FGV Group. Section 320(1),  
Capital Markets and  
Services Act, 2007
- b) Where the AC is of the view that a matter reported by it to the Board of FGV has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee must promptly report such matter to Bursa Malaysia. Paragraph 15.16,  
Listing Requirements
- c) To review any reporting of matters to the shareholders and/or relevant authorities and other statements which are mandated by Bursa Malaysia relating to the Group's strategy, financials and performance including the Corporate Governance Report and recommends to the Board for approval.
- d) To provide oversight on the Company's Annual Integrated Report Reporting Framework, which includes reviewing the Company's Annual Integrated Report and specifically approving the Statement on Risk Management and Internal Control, the Corporate Governance Overview Statement, the Audit Committee Report, the Management Discussion and Analysis and other statements which are mandated by Bursa Malaysia or related to strategy, financials and performance for inclusion in the Company's Annual Integrated Report and recommends to the Board for approval. The oversight provides the mechanism and support for the Board to: Paragraph 15.15,  
Listing Requirements
  - i. acknowledge its responsibility to ensure the integrity of the Company's Annual Integrated Report;
  - ii. leverage for the Board's collective mind in the preparation and presentation of the Company's Annual Integrated Report; and

- iii. give an opinion or conclusion on whether the Company's Annual Integrated Report is presented in accordance with the Company's Annual Integrated Report Reporting Framework.
  - e) Deleted
- 7.2. The Committee shall undertake any such other functions as may be determined by the Board from time to time.

## **8. RELATIONSHIP WITH LISTED SUBSIDIARIES' AUDIT COMMITTEES**

- 8.1. AC delegates the functions under its Terms of Reference, in respect of its listed subsidiaries and companies directly held by the listed subsidiaries, to the Audit Committees of the listed subsidiaries.
- 8.2. Nevertheless, the conduct of the delegated functions under its Terms of Reference should be consistently maintained, particularly in the adoption of accounting policies by the Audit Committees of the listed subsidiaries.
- 8.3. AC reserves the right to establish the orderly conduct of the duties and authority across the Audit Committees of the listed subsidiaries and reserves its right to be apprised of any significant issues reported by the listed subsidiaries' Audit Committees and any other matters it deems appropriate.
- 8.4. AC may, if it suspects any material irregularity in the listed subsidiaries' internal control, financial reporting or matters materially affecting the truthfulness and fairness of the Group's financial results, engage appropriate investigation into the matter.

## **9. REPORTING**

- 9.1. The Committee shall report to the Board on matters considered and its recommendations thereon, pertaining to the Group through:
- 9.1.1. copies of minutes of each meeting of the Committee supported by explanatory papers, being circulated to all Board members once endorsed by the Chairman of the Committee;
  - 9.1.2. the Chairman of the Committee drawing to the Board's attention any matter of major importance; and
  - 9.1.3. the Chairman of the Committee updating the Board on the activities undertaken by the AC.

- 9.2. At the discretion of the Chairman of the Committee and members of the Committee, any relevant matters deemed to be of major importance should be referred to the Board for its attention. Paragraph 15.24, Listing Requirements
- 9.3. The Committee shall be responsible in ensuring that the Company discloses in its Annual Integrated Report the Audit Committee Report as well as the Management Discussion and Analysis for the financial year, pursuant to the Listing Requirements. Paragraph 15.15, Listing Requirements

## **10. MEETINGS ADMINISTRATIONS**

### 10.1. Frequency and attendance

- 10.1.1. The Committee meetings shall be conducted at least four (4) times annually, or more frequently as circumstances dictate.
- 10.1.2. The Committee shall meet with the external and/or internal auditors without executive Board members and management present at least twice a year.
- 10.1.3. The Chairman of the Committee, in consultation with the Secretaries of the Committee, shall determine the frequency of the Committee meetings and discuss the schedule of meetings with the members of the Committee. In addition to the regular scheduled meetings, the Chairman of the Committee or any members of the Committee may call for meetings as and when required or upon request by the external auditor to consider any matters the external auditor believes should be brought to the attention of the Directors or shareholders. Paragraph 15.14(a), Listing Requirements
- 10.1.4. The Committee meetings shall normally be conducted in a face-to-face manner to enable effective discussion. The Committee meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the Committee. For face-to-face Committee meetings, if a member of the Committee is unable to be physically present, the member may choose to participate via telephone conferencing, video conferencing or other appropriate means as determined by the Committee.
- 10.1.5. All resolutions of the members of the Committee at a meeting or adjourned meeting shall be adopted by a majority of votes of all the Committee members present. In the case of an equality of votes, the Chairman of the Committee shall have a second or casting vote. Clause 110, FGV Constitution  
Paragraph 15.14(c), Listing Requirements
- 10.1.6. In the event matters requiring the Committee's decision arise between Committee meetings, the Committee may if deemed appropriate, consider and approve and/or recommend such matters through circular resolution in writing, in lieu of formally convening a meeting, which shall be supported by relevant papers, documents and information setting out details of the subject matter. The members of the Committee may obtain more information from management and express their view points by

facsimile, electronic mail or any other means of telecommunication before arriving at a decision on the subject matter. The circular resolution shall be as valid and effectual as if it has been passed by a meeting of the Committee duly convened. Approval of the AC obtained by an AC circular resolution must be signed or approved by all AC members subject to para 10.1.9 of this Terms of Reference. All such circular resolutions shall be submitted for confirmation at a meeting of the Committee following the passing of the circular resolutions.

- 10.1.7. The Group CEO, GCFO, CIA and Head of GGRM shall be permanent invitees of the Committee meetings. Other Directors of the Board, other management or executives of the Group, external parties and/or any party may be invited to attend the Committee meetings as the Chairman of the Committee and members of the Committee think fit. Paragraph 15.13,  
Listing Requirements
- 10.1.8. The Committee may also invite any other management or executives of the listed subsidiaries to attend its meetings to provide any clarification of matters related to the listed subsidiaries. Paragraph 15.13,  
Listing Requirements
- 10.1.9. Any Committee member and invited participants with conflicting interest shall abstain from discussion and participating in decisions or voting of the related matter. The Committee member and/or invited participants shall excuse himself/herself from the Committee meeting during discussions or deliberations of any matter which he/she has interest in or give rise to an actual or perceived conflict of interest situation for him/her.
- 10.1.10. The Chairman of the Committee shall exercise the right to request those who are in attendance to leave the room if matters discussed are confidential or the deliberation may be impaired due to the presence of these individuals. Paragraph 15.13,  
Listing Requirements
- 10.2. Notice and agenda
- 10.2.1. The Secretaries of the Committee shall issue and circulate the notice of the AC meeting confirming the venue, time and date to AC members at least five (5) business days before each meeting to the Committee members and all those who are required to attend the Committee meeting. Any issuance of notice of a meeting shall be in writing and shall be given either in hard copy or in electronic form or partly in hard copy and partly in electronic form. Paragraph 15.14(b),  
Listing Requirements
- 10.2.2. The Chairman of the Committee shall ensure that proper agenda is prepared for the Committee meeting. The Secretaries of the Committee shall draw up the meeting agenda in consultation with the Chairman of the Committee. The AC meeting agendas shall be the responsibility of the Chairman. The Chairman may also consult other members of the Committee and management, if necessary.

- 10.2.3. The agenda for each Committee meeting including relevant papers, documents and information requested by the AC shall be circulated at least five (5) business days before each meeting to the AC members. Practice 1.6, MCCG

10.3. Minutes of the meeting

- 10.3.1. Upon conclusion of the meeting, the minutes will be circulated in a timely manner. The discussions and conclusions of the Committee meetings shall be minuted, in a clear, accurate (reflect the deliberations and decisions including any dissenting views), consistent and complete. Practice 1.6, MCCG

- 10.3.2. The minutes shall also record if any of the Committee member or invited participants had abstained from voting or deliberating on a particular matter.

- 10.3.3. Upon conclusion of the meeting, draft of the minutes of meeting shall be:

- a) distributed to all members of the Committee or the relevant sections of the said draft may be provided to management and relevant invited participants, to ensure proper key actions/directions given are acted upon; and
- b) upon confirmation on the accuracy of the draft minutes by the Committee members/management, the draft minutes shall be tabled at the following meeting for confirmation and signing.

Minutes shall be endorsed by the Chairman of the next succeeding meeting.

- 10.3.4. The minutes shall be entered into the minutes Register kept by the Company Secretary together with the attendance sheet. Paragraph 15.14(d) and (e), Listing Requirements

- 10.3.5. Keeping of the minutes must comply with the requirements of the relevant law and regulations. Paragraph 15.14(d) and (e), Listing Requirements

- 10.3.6. Reproduction or inspection of any part of the minutes can only be performed through/by the Company Secretary. Paragraph 15.14(e), Listing Requirements

## **11. THE COMMITTEE'S PERFORMANCE**

- 11.1. On an annual basis, the Board shall evaluate the Committee's performance and extent to which the Committee has met the requirements of its Terms of Reference, including the term of office and performance of the Committee and each of its members. This performance assessment may constitute a part of the annual Board Effectiveness Assessment, pertaining to the assessment of Board Committees. Paragraph 15.08A(3)(c), Paragraph 15.20, Listing Requirements

Practice 6.1, MCCG

- 11.2. The Committee members shall undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. Practice 9.5, MCCG



## **12. THE COMMITTEE'S ETHICS AND PROCEDURES**

- 12.1. All members of the Committee shall safeguard all internal communications and treat them as strictly private and confidential, and for the use of the Committee members only.
- 12.2. The Committee shall work diligently amongst the members of the Board and adhere to all applicable laws and regulations as well as the prescriptions rendered in the Directors' Code of Ethics and Conduct and the Directors' Code of Business Practice.

## **13. REVIEW OF TERMS OF REFERENCE**

- 13.1. The Committee Terms of Reference and work plans shall be reviewed periodically, as and when required, especially when there are changes to the Listing Requirements and the MCCG or at least once every two (2) years.
- 13.2. All amendments to the Terms of Reference of the Committee must be approved by the Board.