

	<b>TERMS OF REFERENCE AUDIT COMMITTEE</b>	Doc. No. : CG-04
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## 1. OBJECTIVES

The objective of this terms of reference is to ensure that all members of the Audit Committee are aware of their duties and responsibilities, where the relevant legislations, principles and practices of good Corporate Governance are applied, to assist the Board in discharging their duties and responsibilities.

## 2. COMPOSITION

The Committee must comprise at least three (3) members and all members must be Non-Executive Directors, with the majority of whom are independent, including the Chairman. Any vacancy, resulting in there being no majority of independent Directors or number of members reduced to below three (3), shall be filled within three (3) months. All members of the Audit Committee must be financially literate and at least one (1) member shall be a professional or qualified accountant.

No alternate director shall be appointed as an Audit Committee member.

A former key audit partner must observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee.

## 3. AUTHORITY

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employees and all employees are directed to co-operate with any request made by the Committee. The Committee shall also have the authority to consult independent experts where they consider it necessary to carry out their duties.

## 4. MEETING

The Committee shall meet at least four (4) times a year or at such meetings as the Chairman shall decide in order to fulfill its duties. The Secretary of the Committee shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating to the Committee prior to each meeting.

The Secretary will also be responsible for keeping the minutes of the meetings of the Committee, and circulating them to committee members and to other members of the Board of Directors.

A quorum shall consist of a majority of Committee members and in order to form a quorum, the majority of members present must be independent directors.

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## 5. FUNCTIONS

The functions of the Committee are as follows:-

5.1 To review the following and report the same to the Board of Directors:-

- (a) with the external auditor, the audit plan;
- (b) with the external auditor, his evaluation of the system of internal controls and in particular review the external auditor's management letter and management's response;
- (c) with the external auditor, his audit report;
- (d) the assistance given by the employees to the external auditors;
- (e) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- (f) 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;
- (g) the quarterly results and year end financial statements, prior to the approval by the board of directors, focusing particularly on:-
  - changes in or implementation of major accounting policy;
  - significant and unusual events; and
  - compliance with accounting standards and other legal requirements;
- (h) 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;
- (i) any letter of resignation from the external auditors; and
- (j) whether there is reason (supported by grounds) to believe that the external auditor is not suitable for re-appointment.

5.2 To recommend the nomination of a person or persons as external auditors.

5.3 To recommend for approval of the Board the external audit fee.

## 6. REVIEW OF THE TERMS OF REFERENCE

The Terms of Reference of Audit Committee shall be reviewed by the Board annually to ensure it remains consistent with the Company's objectives and Board's responsibilities and in line with the relevant laws and legislations.