



## **AUDIT COMMITTEE**

### **TERMS OF REFERENCE**

#### **MEMBERSHIP**

The Committee shall be appointed by the Board from among them and shall consist not less than three (3) members and all the Committee members must be Non-Executive Directors, with a majority of them being independent directors.

At least one member of the 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 :
  - (a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
  - (b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- (iii) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

The Board must ensure that no alternate Director is appointed as a member of the Committee.

The members of the Committee shall elect a Chairman from among their number who is an independent Non-Executive Director.

If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

The Board must review the term of office and performance of an Audit Committee and each of its members at least once every three (3) years to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

#### **AUTHORITY**

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information if requires from any employee and all employees are directed to co-operate with any request made by the Committee.



**Audit Committee**  
- Terms of Reference

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The Committee is authorised by the Board to seek outside legal or other professional assistance if it considers necessary.

**FUNCTIONS**

The functions of the Committee shall be:-

- a) to review
  - i) with the external auditors, the audit plan;
  - ii) with the external auditors, their evaluation of the system of internal accounting controls;
  - iii) with the external auditors, their audit report;
  - iv) the assistance given by the Company's officers to the external auditors;
  - v) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
  - vi) 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 functions (if any);
  - vii) the quarterly results and year end financial statements prior to the approval by the Board, focusing particularly on:
    - changes in or implementation of major accounting policy changes;
    - significant and unusual events; and
    - compliance with accounting standards and other legal requirements; and
  - viii) any related party transactions that may arise within the Company or the Group.
- b) to consider the nomination of a person or persons as external auditors, the audit fees and any questions of resignation or dismissal.
- c) to promptly report to Bursa Malaysia on any matter reported by it to the Board of the Company which has not been satisfactory resolved resulting in a breach of the Bursa Malaysia Listing Requirements.
- d) to verify that the allocation of options pursuant to the Pintaras Jaya Employee Share Option Scheme as being in compliance with the criteria of allocation under the said Scheme.
- e) to carry out any functions as may be agreed to by the Committee and the Board.



**Audit Committee**  
- Terms of Reference

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**MEETINGS**

The Committee will meet at least 4 times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties. The external auditors may request a meeting if they consider that one is necessary.

The quorum for each meeting shall be two (2) members and the majority of members present must be independent Non-Executive Directors.

The Finance Manager, or any other authorised Officers and a representative of the external auditors shall normally attend meetings. Other Board members shall also have the right of attendance upon the invitation of the Committee. If necessary, the Committee shall meet with the external auditors, the internal auditors or both, without executive Board members and employees present.

The Secretary to the Committee shall be the Company Secretary or any other person appointed by the Committee.

The Secretary shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it to the Committee members prior to each meeting. The Secretary will also be responsible for keeping the minutes of the meetings of the Committee, and circulating to the Committee members and to other members of the Board.