

## **1. MEMBERSHIP**

The Audit Committee shall be appointed by the Board of Directors (“the Board”) of Amtel Holdings Berhad (“the Company”) from among their members and shall comprise not less than three (3) members. All members of the Audit Committee should be non-executive directors and must not be substantial shareholders, with the majority of them being independent directors.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months.

A member must be free from any relationships that in the opinion of the Board, may interfere with the exercise of independent judgment in carrying out the functions of the Audit Committee.

At least one (1) member of the Audit Committee:-

- (i) must be a member of the Malaysian Institute of Accountants (“MIA”); or
- (ii) if he/she is not a member of MIA, he/she must have at least 3 years’ working experience and he/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967 or he/she is a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- (iii) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad (“Bursa Securities”).

No alternate director shall be appointed to the Audit Committee. The Audit Committee shall elect a chairman from among their members who shall be an independent non-executive director, who is not the Chairman of the Board.

The Nomination Committee shall review the term of office and performance of the Audit Committee and each of its members annually.

All members of the Audit Committee should be financially literate, understand the industries in which the Group operates, must have the required skill to engage with Management and the auditors and be prepared to ask questions about the Group’s financial position, operational risks and internal controls, compliance with applicable approved accounting standards and other related requirements in order to discharge its duties effectively.

A former partner of the external audit firm of the Company shall not be appointed as a member of the Audit Committee until the lapse of at least three (3) years cooling-off period.

## **2. MEETINGS**

The Audit Committee shall meet not less than four (4) times during each financial year with a quorum of two (2) members, a majority of which shall be independent directors. The Chairman of the Audit Committee shall chair the meetings of the Audit Committee or in the absence of the Chairman of the Audit Committee, the members present shall elect a chairman for the meeting from amongst the members present.

The Audit Committee shall aim to reach a consensus on issues discussed, failing which a poll shall be taken through a show of hands.

The Audit Committee may invite other directors and employees to attend any particular meeting of the Audit Committee, specific to the relevant meeting.

The Audit Committee shall meet with the external auditors, the internal auditors without the presence of Management in each financial year to exchange independent views on matters which require the Audit Committee's attention.

A resolution in writing, signed or approved by all Audit Committee members shall be valid and effective for all purposes as a resolution passed at a meeting of the Audit Committee duly convened, held and constituted. Any such resolution may be contained in a single document or may consist of several documents, all in the like form signed by one or more members. Any such document may be accepted as sufficiently signed by an Audit Committee member if transmitted to the Company by any technology to include a signature, whether electronic or digital.

The minutes of Audit Committee meetings shall be kept at the registered office of the Company and distributed to each member of the Audit Committee and the Board. The Secretary of the Company or her representative shall act as secretary of the Audit Committee.

### **3. AUTHORITY**

The Audit Committee is authorised by the Board to perform and investigate any matter within its terms of reference. The Audit Committee shall have full power and unrestricted access to any information pertaining to the Company and its subsidiaries. The Audit Committee shall be able to procure any independent professional advice or resources which are required to perform its duties.

The Audit Committee shall have direct communication channels with the external auditors and internal auditors.

The Audit Committee shall make prompt reports to Bursa Securities, in the event that the Audit 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 Main Market Listing Requirements of Bursa Securities.

### **4. FUNCTIONS**

The functions of the Audit Committee shall include the following:-

- (a) Review the following and report the same to the Board:-
  - (i) with the external auditor, the audit plan;
  - (ii) with the external auditor, his evaluation of the system of internal controls;
  - (iii) with the external auditor, his audit report;
  - (iv) the assistance given by the employees of the Company and Group to the external auditor;
  - (v) the adequacy of the scope, competency and resources of the internal audit function according to the standards set by recognised professional bodies, and that it has the necessary authority to carry out its work;
  - (vi) the internal audit plan, processes, the results of the internal audit assessment, investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

- (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;
    - the going concern assumptions;
    - 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;
  - (viii) any related party transaction and conflict of interest situation that arose, persist or may arise within the listed issuer or Group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts;
  - (ix) any letter of resignation from the external auditors of the Company; and
  - (x) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment.
- (b) To assess the suitability, objectivity and independence of the external auditors annually, taking into consideration the following:-
- (i) the competence, audit quality and resource capacity of the external auditors; and
  - (ii) written assurance from the external auditors, confirming that they are and have been independent throughout the conduct of the audit engagement.
- (c) Recommend the nomination of a person or persons as external auditors and their audit fees.
- (d) To consider the major findings of internal investigations and Management's response.
- (e) To approve the appointment and removal of the internal auditors.
- (f) To review the appraisal or assessment of the performance of the internal audit function.
- (g) To assess risk and control environment by:-
- (i) determining whether Management has implemented policies ensuring the Company's risks are identified and evaluated and that internal controls in place are adequate and effective to address the risks; and
  - (ii) making enquiry as to whether the risks is adequately monitored and addressed by the Company's risk management procedures.
- (h) To consider other topics as defined by the Board.