

MITRAJAYA HOLDINGS BERHAD
(Company No. 268257-T)
(Incorporated in Malaysia)

AUDIT COMMITTEE
TERMS OF REFERENCE

Membership

The Committee shall be appointed by the Board of Directors (“**Board**”) from amongst the Non-Executive Directors of the Company and shall consist of not less than three members of which the majority shall be independent directors of the Company.

Attendance at Meetings

The quorum of meetings shall be two members and the majority of members present must be independent directors. Other Board members and employees may attend meetings upon invitation of the Committee, specific to the relevant meeting.

The Company Secretary shall be the secretary of the Committee.

Frequency of Meetings

Meetings shall be held not less than three times a year. The Chairman may call a meeting of the Committee if a request is made by any Committee members, the Company’s Chairman or the Internal or External Auditors if they consider that one is necessary.

Rights

1. The Committee is authorised by the Board to investigate any activity within its Terms of Reference and it is authorised to seek any information it requires from the External Auditors and any employee and all employees are directed to co-operate with any request made by the Committee.
2. The Committee shall have the resources which are required to perform its duties.
3. The Committee shall have full and unrestricted access to any information pertaining to the Company.
4. The Committee shall have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any).
5. The Committee is authorised to obtain independent professional or other advice if it considers necessary.
6. The Committee shall be empowered to convene meetings with the External Auditors, the Internal Auditors or both, without the presence of other directors and employees of the Company, whenever deemed necessary.

Duties

The duties of the Committee shall be:-

- to consider the appointment of the External Auditors, the audit fee, and any questions of resignation or dismissal.
- to discuss with the External Auditors, the audit plan, the evaluation of the system of internal control, the audit report and the assistance given by the employees of the Company to the external auditors.
- to review the quarterly and annual financial statements before submission to the Board, focusing particularly on:
 - any changes in or implement action of major accounting policies and practices;
 - significant and unusual events or transactions;
 - significant judgment made by Management;
 - significant adjustments arising from the audit;
 - the going concern assumption;
 - financial reporting issues;
 - compliance with accounting standards ;
 - compliance with stock exchange and legal requirements; and
 - significant matter highlighted by Management, Internal Auditor or External Auditor and how these matter are addressed.
- to review 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.
- To review the internal audit programme, process, and 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.
- to consider the major findings of internal investigations and Management's response.
- to discuss problems and reservations arising from the audit and any matter the External Auditors may wish to discuss (in the absence of Management where necessary)
- to recommend the nomination of a person or persons as External Auditors.
- to review and report to the Board any related party transaction and conflict of interests situation that may arise within the company or group including any transaction, procedure or course of conduct that raises questions of management integrity.
- to consider any other functions or duties as may be agreed to by the Committee and the Board.

Reporting Procedures

1. The Secretary shall maintain minutes of the proceedings of the meetings of the Committee and circulate such minutes to the Board.

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