



GLOMAC BERHAD
[Registration No. 198301015139
(110532-M)]

AUDIT COMMITTEE TERMS OF REFERENCE

1. Composition

- i) The Audit Committee shall consist of not less than three (3) members, all of whom shall be Non-Executive Directors, with a majority being Independent Directors.
- ii) At least one (1) member of the Audit Committee must meet the criteria set by Bursa Malaysia Securities Berhad's Listing Requirements as follows:
 - a. Must be a member of the Malaysian Institute of Accountants; or
 - b. If he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least three (3) years' 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
 - c. Fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
- iii) All members of the Audit Committee should be financially literate and are able to understand matters under the purview of the Audit Committee, including the financial reporting processes.
- iv) The Chairman/Chairperson of the Audit Committee shall be an Independent Director, and he/she shall not hold office as Chairman/Chairperson of the Board of Directors ("**Board**").
- v) No alternate Director shall be appointed as a member of the Audit Committee.
- vi) In the event of any vacancy in the Audit Committee, the Board shall, within three (3) months of that event, fill the vacancy.
- vii) No former partners of the external audit firms and/or the affiliate firms (including those providing advisory services, tax consulting, etc.) of Glomac Berhad Group shall be appointed as a member of the Audit Committee unless a cooling-off period of at least three (3) years has been observed.

2. Meetings and Quorum

- i) The Audit Committee shall meet at least four (4) times a year, with additional meetings convened as and when necessary and attended by the Department Head charged with the responsibility of the Group's financial reporting. Attendance of other Directors and employees at any particular Audit Committee meeting will be at the invitation of the Audit Committee. The presence of the Internal and External Auditors for a meeting will be requested if required.
- ii) The Audit Committee member may participate in the meeting using telephone conference or video conference or any other means of audio/visual communications, and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum accordingly.
- iii) The quorum for any meeting shall be two (2) members of which the majority must be Independent Directors.
- iv) Circular Resolution signed by all members shall be valid and effective as if it had been passed at the meeting of the Audit Committee duly called and constituted. Any such resolution may consist of several documents in like form, each signed by one (1) or more Audit Committee members. Any such document may be accepted as sufficiently signed by an Audit Committee member if transmitted to the Company by facsimile or other electrical or digital written message purporting to include a signature of an Audit Committee member.
- v) The Chairman of the Audit Committee shall report on its activities to the Board.
- vi) An Audit Committee member shall abstain or excuse himself/herself from the meeting during the discussion, deliberations and voting of any matter which may give rise to an actual or perceived conflict of interest situation.

3. Secretary to Committee and Minutes

The Company Secretary shall be the Secretary of the Audit Committee and as a reporting procedure, the minutes shall be circulated to all members of the Board upon confirmation of the same by the Audit Committee.

4. Authority

- i) The Audit 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 employee for the purpose of discharging its functions and responsibilities.
- ii) The Audit Committee is also authorised to obtain legal or other independent professional advice and to ensure the attendance of outsiders with relevant experience and expertise if necessary.

5. **Duties and Responsibilities**

The duties and responsibilities of the Audit Committee shall be:

- i) To review the Company's and the Group's quarterly and annual financial statements before submission to the Board. The review shall focus on:
 - any changes in accounting policies and practices
 - major judgemental areas
 - significant and unusual events
 - going concern assumption
 - compliance with accounting standards and other legal requirements
 - compliance with Bursa Malaysia Securities Berhad Main Market Listing Requirements
- ii) To review with the external auditors their audit plan, scope and nature of audit for the Company and the Group.
- iii) To assess the adequacy and effectiveness of the systems of internal controls and accounting control procedures of the Company and the Group by reviewing the external auditors' management letters and management responses.
- iv) To hear from the external auditors' problems and reservations arising from their interim and final audits.
- v) To review the internal audit plan, consider the major findings of internal audit, fraud investigations and actions and steps taken by management in response to audit findings and to review the adequacy of the competency of the internal audit function.
- vi) To review any related party transactions and conflict of interest situations that arose, persist or may arise within the Company or the 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. To ensure that the Group has adequate procedures and processes in place to monitor and track related party transactions and to review these processes.
- vii) To consider the appointment of the external auditors, their suitability, objectivity and independence, the terms of reference of their appointment and any question of resignation or dismissal including whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment, including making an assessment of their independence where external auditors also provide non-audit services.
- viii) To review the independence and objectivity of the internal audit personnel to ensure that the activities of the internal audit function are free from conflict of interest.
- ix) To undertake such other responsibilities as may be agreed to by the Committee and the Board.

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