



# **MYNEWS HOLDINGS BERHAD**

Registration No. 201301010004 (1039846-T)

## **TERMS OF REFERENCE**

**OF**

## **AUDIT COMMITTEE**

[Updated on 1 April 2024]

## **Applicable Laws/Guidelines**

The Main Market Listing Requirements (“**MMLR**”) issued by Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”) including but not limited to the Capital Markets and Services Act 2007, the Companies Act 2016, the Malaysian Code on Corporate Governance 2021 issued by the Securities Commission, any prevailing laws, where applicable, and the provisions of the Constitution of Mynews Holdings Berhad (“the **Company**”).

## **Objectives/Principles**

The principal objective of the **Audit Committee** is to assist the Board of Directors of the Company (“the **Board**”) in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the Company and its subsidiaries (“the **Group**”). In addition, the Audit Committee shall:-

1. Evaluate the quality of the audit conducted by the internal and external auditors.
2. Oversee and ensure the integrity of the financial reporting of the Group.
3. Provide assurance that the financial information presented by management is relevant, reliable and timely.
4. Assess whether the financial reporting of the Group presents a true and fair view of the Group’s financial position and performance/results.
5. Oversee compliance with laws and regulations and observance of a proper code of conduct including all applicable legal and financial reporting requirements and accounting standards.
6. Determine the adequacy of the Group’s control environment.
7. Review and evaluate any related party transactions and conflict of interest situations including recurrent related party transactions.
8. Review any conflict of interest (“COI”) situations (besides related party transactions) within the Group involving a key person, including COI situations that arose or persist (i.e. in addition to those that may arise), and put in place the measure to resolve, eliminate or mitigate the COI situations.

The “key person” herein refers to a director, key senior management and legal representative of the Group while key senior management shall consist of executive chairman, chief executive officer, deputy chief executive officer, chief financial officer and any other C-suite management of the Group (“**Senior Management**”).

The Board shall annually review the Terms of Reference of the Audit Committee to ensure objectivity and clarity in its responsibilities as approved by the Board.

## **Role and Responsibilities**

1. To review the nomination, appointment or re-appointment and performance of the external auditor, the audit fees and any questions of resignation or dismissal of the external auditor before making recommendations to the Board.
2. To consider if there is reason (supported by grounds) to believe that the Group's external auditor is not suitable for re-appointment.
3. To put in place the policies and procedures to assess the suitability, objectivity and independence of the external auditor.
4. To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved.
5. To provide a line of communication between the Board and the external auditor.
6. To review the quarterly and year-end financial statements of the Group, before the approval by the Board, focusing particularly on:
  - (a) any changes in or implementation of major accounting policy and practice and its effect thereon to the Group's financial position/performance/results;
  - (b) significant adjustments arising from the audit;
  - (c) litigation that could affect the financial position/performance and/or results materially;
  - (d) significant and unusual events;
  - (e) the going concern assumption;
  - (f) compliance with applicable accounting standards and other relevant legal requirements; and
  - (g) ensuring the timely release of such financial statements.
7. To discuss recommendations, problems and reservations arising from the interim and final audits, and any matter the external auditor may wish to discuss (in the absence of management where necessary) including the audit report, audit plan and the level of assistance given by the employees of the Group to the external auditor.
8. To review the external auditor's management letter and management's response in evaluating the Group's system of internal controls and to consider and implement any remedial actions required to rectify such reported weaknesses.

9. To do the following, in relation to the internal audit function:
- (a) Mandate the internal audit function to report directly to the Audit Committee;
  - (b) Review the adequacy of the scope, functions (to extend its scope from the perspectives of governance, risk & control processes to include anti-corruption & whistle blowing), competency and resources of the internal audit function, and that it has the necessary independence and authority to carry out its work, which should be performed professionally and with impartiality and proficiency;
  - (c) Review the internal audit programme, processes and results of the internal audit programme, processes or investigation undertaken and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit functions;
  - (d) Review any appraisal or assessment of the performance of members of the internal audit function;
  - (e) Approve any appointment or termination of senior staff or members of the internal audit function; and
  - (f) Take cognizance of resignations of internal audit staff and provide the staff an opportunity to submit reasons for resigning.
10. Review and monitor the adequacy and integrity of the Group's system of internal controls and management information systems, including systems to ensure compliance with applicable laws, regulations, rules, directives and guidelines.
11. Review and monitor the Group's finance functions in respect of the adequacy and sufficiency of human resource, technology and infrastructure to support the financial recording and reporting process to ensure accurate, complete, consistent and timely financial reporting.
12. To consider and evaluate any related party transactions or COI situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity. In considering such related party transactions, the financial reality of such transactions and whether they have been entered into under normal commercial terms, according to terms stipulated in shareholders' mandate or in the best interest of the Group have to be taken into account.
13. To consider and determine with the management an agreed upon reporting structure and schedules covering financial and non-financial information.
14. To report its findings on financial performance and other material matters related to financial performance to the Board.
15. To ensure the financial statements are prepared in accordance to the applicable financial reporting standard.
16. To consider the major findings of internal audit and other financial investigations and management's response.

17. To review and recommend for the Board's approval, the provision of non-audit service by the external auditor and to ensure that there are proper checks and balances in place so that the provision of non- audit services does not interfere with the exercise of independent judgement of the external auditor.
18. To review the Group's procedures for detecting fraud and whistle blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters.
19. To consider any other matters as directed by the Board.
20. To consider and examine such other matters as the Audit Committee considers appropriate.
21. The Chairman of the Audit Committee to report to the Board, after each Audit Committee Meeting, with any appropriate recommendations, proposals, remedial actions or improvement plans.
22. In relation to issues associated with COI involving directors and Senior Management of the Group, the Audit Committee shall:-
  - (a) conduct regular review of any COI situations (other than related party transactions) including COI situations that arose or persist (i.e. in addition to those that may arise), and report it to the Board;
  - (b) put in place the measure to resolve, eliminate or mitigate the COI situations including COI situations that arose or persist; and
  - (c) disclose (in the Annual Report) a \*summary of any COI or potential COI situations (besides related party transactions) within the Group that the Audit Committee has reviewed and the measures taken to resolve, eliminate or mitigate such COI or potential COI situations.

\*Note : In this context, the disclosure in the Audit Committee Report (as in the Annual Report) must cover any COI situations that arose or might arise during the financial year as well as persisting COI from previous financial years.

### **Authority and Powers**

In carrying out its duties, an Audit Committee shall, at the expense of the Group:

1. have explicit authority to investigate any matter within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Audit Committee;
2. have the full and unlimited/unrestricted access to all information and documents/resources in order to perform its duties as set out in terms of reference as well as to the internal and external auditors and senior management of the Group;

3. have full, free and unrestricted access to the Group 's records, properties, personnel and other resources;
4. have full and unrestricted access to any information regarding the Group;
5. have direct communication channels with the external auditor and person(s) carrying out the internal audit function or activity;
6. be entitled to the services of a Company Secretary who must ensure that all matters are properly recorded and minuted in the minutes book and the matters are in compliance with statutory obligations, as well as obligations arising from the MMLR or other regulatory requirements;
7. be able to obtain external legal or other independent professional or other advice or other necessary resources to perform its duties and to secure the attendance of outsiders with relevant experience and expertise to provide advice if it considers necessary; and
8. be able to convene meetings with the external auditor, internal auditors or both, and any external professionals / experts, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Notwithstanding anything contrary hereinbefore stated, the Audit Committee does not have executive powers and shall report to the Board on matters considered and its recommendations thereon, pertaining to the Group.

### **Members**

1. The Board shall elect the Audit Committee members, at least 3 Non-Executive Directors with a majority of them being Independent Directors, appointed by the Board based on recommendation by the Nominating and Remuneration Committee. No alternate director can be appointed as a member of the Audit Committee.

In this respect, the definition of "Independent Director" as per the MMLR shall be observed.

2. The terms of office and performance of the Audit Committee and each of its members shall be reviewed by the Nominating and Remuneration Committee annually to determine whether its members have carried out their duties in accordance with their terms of reference.
3. Any director of the Company, upon his/her resignation, shall relinquish his/her position in the Audit Committee.
4. In any event that the number of Audit Committee members is reduced to below 3, the Board shall within 3 months, subject to the MMLR, appoint such number of new members as may be required.

5. All members of the Audit Committee shall be financially literate and at least 1 member shall:
  - (a) be a member of the Malaysian Institute of Accountants (“MIA”); or
  - (b) if he/she is not a member of the MIA, he/she must have at least 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 association 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.
6. A former key audit partner who wishes to be elected or appointed as a member of the Audit Committee should observe a cooling-off period of at least 3 years before his/her appointment.
7. Directors appointed should devote the required time to serve the Board (including non-listed companies) effectively. Any appointment that may cast doubt on the integrity and governance of the Group should be avoided.

### **Chairman**

The Chairman of the Audit Committee shall be elected from amongst the Audit Committee members, who is an Independent Director and appointed by the Board.

The Chairman of the Audit Committee shall assume, amongst others, the following responsibilities:

1. planning and conducting the Audit Committee meetings;
2. overseeing reporting to the Board;
3. encouraging open discussion during Audit Committee meetings and
4. developing and maintaining an active on-going dialogue with senior management and both the internal and external auditors.

In the absence of the Chairman of the Audit Committee, the other members of the Audit Committee shall amongst themselves elect a Chairman, who is an Independent Director, to chair the meeting.

## **Meetings**

1. The Audit Committee shall meet for the dispatch of business, adjourn and otherwise regulate their meetings, at least 4 times a year or more frequently as deemed necessary.
2. The quorum for an Audit Committee Meeting shall be at least 2 members and the majority of members present must be independent directors.
3. The Chairman may call for additional meetings at any time at his/her discretion.
4. The external auditor has the right to appear and be heard at any meeting of the Audit Committee and shall appear before the Audit Committee when required to do so.
5. Upon the request of the external auditor, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditor believes should be brought to the attention of the directors or shareholders.
6. The chief financial officer and the head of internal audit of the Group shall normally be invited by the Audit Committee to attend the meetings to assist in the deliberations and resolution of matters raised. However, at least once a year, the Audit Committee shall meet with the external auditor without the presence of management. Where their expertise is required, the chairman of the Board, the chief executive officer, the management of the Group or any other external professionals may also be invited to attend the Audit Committee meetings.
7. The Chairman of the Audit Committee shall engage on a continuous basis with Senior Management, such as the chairman of the Board, the chief executive officer, the chief financial officer, the head of internal audit of the Group and the external auditor to be kept informed of significant matters affecting the Group.
8. Questions arising at any meeting of the Audit Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Audit Committee shall have a second or casting vote.
9. The Company Secretary shall act as Secretary of the Audit Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.
10. The Secretary of the Audit Committee shall be entrusted to record all proceedings and minutes of all meetings of the Audit Committee. The Secretary of the Audit Committee shall circulate the notice at least 5 business days prior to the Audit Committee Meeting except where the said notice period has been waived by all the members of the Audit Committee.
11. Reasonable time shall be given for Audit Committee members and to other attendees as appropriate, to consider all relevant papers and materials prior to the Audit Committee Meeting.



12. The minutes of the Audit Committee Meeting shall be signed by the Chairman of the Meeting at which the proceedings were held or by the Chairman of the next succeeding Meeting.
13. In addition to the availability of detailed minutes of the Audit Committee Meetings to all Board members, the Chairman of the Audit Committee at each Board Meeting will report a summary of significant matters resolutions.
14. A resolution in writing signed or approved by letter, or other written electronic communications by majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a Meeting. All such resolutions shall be described as "Audit Committee Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one or more members.

### **Continuing Education/Training**

All members of the Audit Committee should seek continuing professional education and/or training to keep abreast of the developments in the area of, including but not limited to, financial reporting, regulatory compliance, technology, internal controls, business risk and the implications of significant changes that may affect the Group or the industry that the Group is involved in.

### **Reporting of breaches to Bursa Malaysia**

Where 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 MMLR, the Audit Committee must promptly report such matter to Bursa Malaysia.

### **Effect of MMLR and Prevailing Laws, Rules and Regulations**

Notwithstanding anything contained in this Terms of Reference:

1. If the MMLR and other prevailing laws, rules and regulations (collectively, "Laws") require an act to be done or not to be done, authority is given for that act to be done or not to be done, as the case may be.
2. If the Laws require this Terms of Reference to contain a provision and it does not contain such a provision, this Terms of Reference is deemed to contain that provision.
3. If the Laws require this Terms of Reference not to contain a provision and it contains such a provision, this Terms of Reference is deemed not to contain that provision.
4. If any provision of this Terms of Reference is or becomes inconsistent with the Laws, this Terms of Reference is deemed not to contain that provision to the extent of the inconsistency.

### **Conclusion**

These terms of reference may change from time to time mainly to align with the MMLR or, where appropriate, to adopt the recommended best practices of corporate governance.