



JAYA TIASA HOLDINGS BERHAD
(Company No. 3751-V)

AUDIT COMMITTEE

TERMS OF REFERENCE

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1. Size and Composition

The members of the AC shall be appointed by the Board of Directors, and shall consist of not less than three (3) members, which fulfils the following requirements: -

- i. all the AC members must be Non-Executive Directors, with a majority of them being Independent Directors; and
- ii. all the AC members should be financially literate;
- iii. at least one (1) member:
 - a. must be a member of the Malaysian Institute of Accountants (MIA); or
 - b. if he is not a member of MIA, he must have at least three (3) years' working experience and: -
 - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - 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.
 - c. fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
- iv. No alternate Director shall be appointed as member of the AC.
- v. Former key audit partner may be appointed as a member of the AC, but must observe a cooling-off period of at least two (2) years prior to his appointment.

The chairman of the AC shall be appointed by the Board from among their Independent Directors who must not be the Chairman of the Board.

The term of office of each member shall be subject to annual review by the Nominating Committee.

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

2. Authority and Rights

The AC wherever necessary and reasonable for the performance of its duties, shall in accordance with the procedure determined by the Board and at the cost of the Company:-

- i. have authority to investigate any matter within its Terms of Reference;
- ii. have the resources which are required to perform its duties;
- iii. have full and unrestricted access to any information relevant to its activities;

- iv. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- v. any independent advice sought by the AC member should be discussed with the management and brought up at the Board meeting to establish the relevance of such independent advice; and
- vi. be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

3. Functions and Duties

The AC shall, amongst others, discharge the following duties:

- i. to review the quarterly results and year-end financial statements prior to the approval by the Board of Directors, focusing on, amongst others:-
 - changes in or implementation of major accounting policies and practices;
 - 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 and regulatory requirements;
- ii. to review with the external auditors:-
 - the nature and scope of audit;
 - their audit plan;
 - their evaluation of the system of internal controls;
 - their audit report; and
 - the assistance given by the employees of the Company to the auditors.
- iii. to review with the internal auditors:-
 - 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; and
 - the internal audit program, processes and investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal auditors;
- iv. to review any related party transactions and conflict of interest situations that may arise within the Company or Group.
- v. to recommend to the Board the appointment, re-appointment, resignation or dismissal of external auditors and the audit fees.

- vi. to assess suitability of the external auditor on annual basis based on the following criteria:
 - auditor independence;
 - quality of audit services; and
 - audit fees
- vii. to promptly report to the Bursa Malaysia Securities Berhad 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 Bursa Malaysia Securities Berhad Listing Requirements.
- viii. to consider and examine any other matters as the Audit Committee consider appropriate or as instructed by the Board of Directors.

4. Quorum and Meeting Procedures

The AC shall meet not less than four (4) times in a year. Additional meetings may be convened at any time if so requested by any AC member, the DEC, CEO or the internal or external auditors.

A quorum shall consist of a majority of members present who must be Independent Directors.

In the absence of the chairman, the members present shall elect one of their members, who must be an Independent Director as chairman for the meeting.

Other Directors and management personnel may attend any particular AC meeting only at the Committee's invitation, specific to the relevant meeting.

The Company Secretary shall be the Secretary of the AC. The Secretary, in collaboration with the chairman, shall draw up an agenda and notice of meeting, which shall be circulated, at least one (1) week prior to each meeting to the members of the AC.

The minutes of all AC meetings shall be circulated to the members of the Board.

5. Review of the Terms of Reference

The members of the Committee will review the above Terms of Reference from time to time whenever deem necessary for approval by the Board. The latest copy of the terms of reference of the Committee shall be made available on the Company's website.

No.	Jaya Tiasa Holdings Berhad Terms of Reference of Audit Committee	Date
i.	Adopted	27 August 2013
ii.	First Revision	26 May 2016
iii.	Second Revision	17 October 2017
iv.	Third Revision	23 May 2018