

**SUNSURIA BERHAD** (Company No. 8235-K)  
(Incorporated in Malaysia)

**AUDIT COMMITTEE**

**TERMS OF REFERENCE**

**1. Purpose**

The primary objective of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities relating to corporate accounting, system of internal controls and risk management processes, management and financial reporting practices of the Group.

**2. Membership**

The Audit Committee shall be appointed by the Board from amongst their number and shall consist of not less than 3 members, all of whom must be non-executive directors, with a majority of them being independent non-executive directors. Executive director(s) and alternate director(s) cannot be appointed as member(s) of the Committee. In the event of any vacancy in the Audit Committee which results in non-compliance of paragraph 15.09(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”), the vacancy shall be filled within 3 months.

At least one member of the Audit Committee must be qualified under paragraph 15.09(1)(c) of the MMLR.

The Chairman of the Committee shall be an independent non-executive director appointed by the Board. If there is any vacancy in the position of the Chairman of the Audit Committee, the Board shall within three (3) months appoint a new Chairman of the Audit Committee to fill the vacancy.

**3. Meetings**

Meetings shall be held not less than four times a year. In addition, the Chairman of the Committee may call a meeting of the Committee upon the request of the external auditors, to consider any matter the external auditors believe should be brought the attention of the Board and shareholders.

Majority members present in person who are independent non-executive directors shall be a quorum.

The Minutes of each Meeting shall be made available to all members of the Board upon request.

The Audit Committee may, as and when deemed necessary, invite other Board members, senior management personnel, a representative of the External Auditors and external independent professional advisers to attend the meetings.

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The Audit Committee Members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting. Minutes of such a meeting signed by the Chairman of the Committee shall be conclusive evidence of any resolution of any meeting conducted in the manner as aforesaid.

A resolution in writing signed or approved via letter, telex or facsimile by all Committee members shall be 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.

**4. Secretary**

The Company Secretary shall be the secretary of the Committee.

**5. Authority**

The Audit Committee shall, at the Company's expense, have the following authority and rights:-

- (a) Full and unrestricted access to any information and documents from the external auditors and senior management of the Company and the Group which are relevant to the activities of the Company.
- (b) Be provided with the necessary resources which are required to perform its duties.
- (c) The right to investigate into any matter within its Terms of Reference and as such, have direct communication channel with the external auditors and persons carrying out the internal audit function of the Company.
- (d) The liberty to obtain independent professional advice and to secure the attendance of such external parties with relevant experience and expertise at its meeting if it considers this necessary.
- (e) Be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary.
- (f) May extend invitation to other non-member directors and officers of the Company to attend a specific meeting, whenever deemed necessary.

## **6. Duties**

The Audit Committee shall report to the Board of Directors either formally in writing, or verbally, as it considers appropriate on the matter within its Terms of Reference.

The duties of the Audit Committee shall be:-

- (a) To review the audit plan with the external auditors;
- (b) To review the audit report with the external auditors;
- (c) To review the assistance given by the Company's auditors and to meet with the external auditors without executive board members' presence at least twice a year;
- (d) To review the quarterly results and year-end financial statements of the Company and the Group, prior to the approval by the Board, focusing particularly on:-
  - (i) Changes in or implementation of major accounting policies changes;
  - (ii) 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
  - (iii) Compliance with accounting standards, regulatory and other legal requirements.
- (e) To review any related party transaction and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (f) To review the adequacy of the scope, functions, competency and resources of the internal audit functions and to ensure that it has the necessary authority to carry out its work;
- (g) To review any internal audit programme, processes, the results of the internal audit programme, processes or investigations undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- (h) To review any evaluation made on the systems of internal controls with the internal and external auditors;
- (i) To recommend to the Board of Directors the appointment or re-appointment of the external auditors at the general meeting, after taking into consideration the independence and suitability of the external auditors and matters relating to the resignation or removal of the external auditors;
- (j) To consider any resignation or removal of the external auditors, and to furnish such written explanation or representation from the external auditors to Bursa Malaysia Securities Berhad ("Bursa Securities");

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- (k) To review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointments;
- (l) The Chairman of the Audit Committee should engage on a continuous basis with senior management, the internal audit and the external auditors in order to be kept informed of matters affecting the Company; and
- (m) To report promptly to Bursa Securities on any matter reported by it to the Board of Directors, which has not been satisfactorily resolved resulting in the breach of the Listing Requirements of Bursa Securities.
- (n) To undertake such other functions as may be agreed by the Audit Committee and the Board.

**7. Performance Review**

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Nomination Committee annually to determine whether the Audit Committee members have carried out their duties in accordance with the terms of reference.