

**WOODLANDOR HOLDINGS BERHAD (376693-D)**  
(Incorporated in Malaysia)

**AUDIT COMMITTEE**

**TERMS OF REFERENCE**

**1. Constitution**

The Board has established a Committee of the Board to be known as the Audit Committee.

**2. Membership and Quorum**

- i. The Committee shall be appointed by the Board from amongst the directors of the Company and shall consist of not less than three (3) members and all members must be non-executive director. A quorum shall be formed only if there is a majority of members present at the meeting who are independent directors.
- ii. Majority of the Committee must be Independent Directors and shall not be:
  - (a) Executive directors or major shareholders of the Company or of any related corporations;
  - (b) A spouse, parent, brother, sister, child (including adopted or step child) and spouse of such brother, sister or child of an executive director, officer or major shareholders of the Company or of any related corporation; or
  - (c) Any person having a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgement in carrying out the functions of the Audit Committee.
- iii. All members of the Audit Committee should be financially literate and at least one of the members of the Committee must:-
  - (a) be a member of the Malaysian Institute of Accountants; or
  - (b) have at least three (3) years working experience and;
    - must have passed the examinations specified in Part I of the 1<sup>st</sup> Schedule of the Accountants Act, 1967; or
    - must be a member of one of the associations of accountants specified in Part II of the 1<sup>st</sup> Schedule of the Accountants Act, 1967; or
    - fulfil such other requirements as prescribed by the Exchange.
- iv. No alternate director is appointed as a member of the Audit Committee.

**3. Chairman of the Audit Committee**

The members of an Audit Committee shall elect a chairman from amongst their number who shall be an Independent Director.

**4. Retirement and Resignation**

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

**5. Authority**

- a. The Committee is authorised by the Board, in accordance with the procedures to be determined by the Board (if any) and at the cost of the Company:-
  - (i) To investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employees and all employees are directed to co-operate with any request made by the Committee; and

- (ii) To obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- b. The Committee may communicate directly with the external auditors and person(s) carrying out the internal audit function or activity (if any).
- c. The Committee shall convene meetings with the external auditors, the internal auditors or both, excluding the attendance of the other directors and employees of the Company, wherever deemed necessary.

## 6. Functions

The functions of the Committee shall be:-

- a. To review:-
  - (i) with the external auditors, the audit plan;
  - (ii) with the external auditors, the evaluation of the system of internal controls;
  - (iii) with the external auditors, the audit report;
  - (iv) the assistance given by the Company's officers to the auditors;
  - (v) 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;
  - (vi) the internal audit programme, processes, the results of the internal audit review and investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
  - (vii) the quarterly results and year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-
    - changes in or implementation of major accounting policy;
    - significant and unusual events; and
    - compliance with account standards and other legal requirements.
  - (viii) any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
  - (ix) any letter of resignation from the external auditors of the Company;
  - (x) whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment; and
  - (xi) as well to verify the allocation of options to eligible employees under the Employee Share Option Scheme.
- b. To consider the nomination of a person or person(s) as auditors.
- c. To undertake such other functions as may be agreed to by the Audit Committee and the Board of Directors.

## 7. Attendance at Meetings

- a. If required, the Financial Controller, the Head of Internal Audit and as representative of the external auditors shall normally attend meetings. Other Board members may also attend the Audit Committee with the consent of the Board of Directors.
- b. The Company Secretary shall be the Secretary of the Committee.

**8. Frequency of Meetings**

Meetings shall be held not less than four times a year with the Company Secretary in attendance. The external auditors may request a meeting if they consider that one is necessary.

**9. Procedure of Audit Committee**

The Audit Committee may regulate its own procedures, in particular:-

- (a) The calling of meetings;
- (b) The notice to be given of such meetings;
- (c) The voting and proceedings of such meetings;
- (d) The keeping of minutes; and
- (e) The custody, production and inspection of such minutes.

*ACom/approved by the BOD on 17/5/2016*