

BCB BERHAD (172003-W)

AUDIT COMMITTEE TERMS OF REFERENCE

1. Composition

- (a) Members are appointed by the Board from amongst the Directors of the Company comprising of no fewer than three (3) Non-Executive Directors, the majority of whom must be Independent Directors;
- (b) At all times, at least one (1) member of the Audit Committee:-
 - (i.) must be a member of the Malaysian Institute of Accountants; or
 - (ii.) if he is not a member of the Malaysian Institute of Accountants, he must have at least three years' working experience and :-
 - (aa) he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or
 - (bb) 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; or
 - (iii.) fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.
- (c) In the event of any vacancy that would reduce the number of members below three (3), the Board shall within three (3) months appoint such new members as may be required to meet the minimum requirement;
- (d) The Chairman of the Audit Committee shall be an Independent Director; and
- (e) The Nomination Committee of the Company must review the term of office and performance of an audit committee and each of its members annually to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.
- (f) No alternate Director shall be appointed as a member of the Audit Committee.
- (g) A former key audit partner shall observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

2. Meetings and Quorum

- (a) Meeting of the Audit Committee shall be conducted at least four (4) times annually, or as circumstances require;

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- (b) To form a quorum, the majority of the Committee Members present must be Independent Directors;
- (c) Where it is deemed necessary, the Audit Committee may invite other Board Members and senior management to attend the meetings including the presence of the external auditors;
- (d) The Audit Committee shall, when necessary, meet with the Management and external auditors in separate sessions to discuss any matters without the presence of any Executive Directors; and
- (e) The Company Secretary shall be the Secretary of the meeting and shall draw up the agenda in consultation with the Chairman of the Audit Committee, and circulate such minutes and agenda papers well in advance of the meeting.

3. Relationship with External Auditors

- (a) The Audit Committee shall work closely with the external auditors, internal auditors and senior management, and shall have full and unlimited access to information and authority to seek any information it may require from the Company's and/or Group's employees;
- (b) The Audit Committee shall be provided with full resources in communications and support by the Company in performing its responsibilities and functions, including legal and external independent professional advice it considers necessary at the expense of the Company;
- (c) Where a matter reported to the Board has not be satisfactorily resolved resulting in any breach of the Listing Requirements, the Audit Committee shall promptly report such matters to the Bursa Malaysia.

4. Overall Objectives

- (a) Review with external auditors the audit scope and plan including any changes thereto;
- (b) Review the adequacy of the internal audit scope and plan, functions and resources of the internal audit functions and that it has the necessary authority to carry out its functions;
- (c) Review the external and internal audit reports to ensure that appropriate and prompt remedial action is taken by the Management on major deficiencies in controls or procedures that are identified;
- (d) Review major audit findings and the Management's response during the year with the Management, external auditors and internal auditors, including the status of previous audit recommendations;

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- (e) Review the assistance given by the Group's officers to the auditors and the difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to acquire information;
- (f) Review the independence and objectivity of the external auditors and their services rendered, including non-audit services and professional fees, so as to ensure a proper balance between objectivity and value for money;
- (g) Review the appointment and performance of external auditors, the audit fee and any question on resignation or dismissal before making recommendations to the Board;
- (h) Review the adequacy and integrity of internal control systems, including enterprise risk management, management information system, and the internal auditors' and/or external auditors' evaluation of the said systems;
- (i) Direct and where appropriate supervise any specific projects or investigation considered necessary and review investigation reports on any major defalcations, frauds and thefts;
- (j) Review the quarterly results and the year-end financial statements prior to the approval by the Board, focusing particularly on:-
 - changes in or implementation of major accounting policy changes
 - compliance with the accounting standards and other legal requirements
- (k) Review the procedures in place to ensure that the Group is in compliance with the Companies Act 2016, the Listing Requirements and other legislative and reporting requirements;
- (l) Review 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 on management integrity; and
- (m) Review any other activities as requested and authorized by the Board.