

# **Meta Bright Group Berhad**

(formerly known as Eastland Equity Bhd.)

## **Audit And Risk Management Committee Terms Of Reference**

### **1.0 COMPOSITION**

The Board shall appoint the members of the Audit and Risk Management Committee (“ARMC”) from amongst the Non-Executive Directors. The Committee shall consist of not less than three members, the majority of whom shall be Independent Directors. In addition, no alternative director shall be appointed as ARMC member.

At least one member of the ARMC must be an accountant under the provisions in Main Market Listing Requirements (“MMLR”). All Members should be financially literate and able to understand the financial matters and the reporting process under the purview of the ARMC.

The appointment of former partners of the Company's external audit firm (including but not limited to those providing advisory services and tax consultancy as well as his/her affiliates firms) to be a member of ARMC shall be subject to at least a three-year cooling-off period from the date such person relinquish his/her position with the firm.

Vacancy in the Committee shall be filled out within 3 months.

### **2.0 CHAIRMAN**

The Committee shall elect a Chairman from among its members who is an Independent Non-Executive Director, who shall not be the Chairman of the Board.

### **3.0 SECRETARY**

The Company Secretary or any appropriate senior officer shall be the Secretary to the Committee.

### **4.0 AUTHORITY**

The ARMC shall:

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the financial affairs of the Group (Meta Bright and its Subsidiaries);

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- (d) have direct communication channels with the external and internal auditors;
- (e) be able to obtain independent professional consultation or other independent advice in discharging its responsibilities at the expense of the Company;
- (f) be able to convene meetings with the external auditors and internal auditors, excluding the attendance of other directors and employees of the listed issuer, whenever deemed necessary; and
- (g) be able to report to Bursa Securities Malaysia Berhad where matter reported to the Board was satisfactorily resolved, which had resulted in a breach of the MMLR.

### 5.0 FUNCTIONS

Review the following and report the same to the Board of the listed issuer:

- (a) with the external auditors, the audit plan, their evaluation of the system of internal controls, their audit report, and the cooperation and assistance by the employees;
- (b) the effectiveness of External Auditor, including their appointment, audit fees and any related issues;
- (c) the appointment and adequacy of the scope, competency, independence, objectivity, effectiveness and resources of the internal audit function. The internal audit has the necessary authority and budget to carry out its scope of work covering risk management, internal control, anti-corruption, whistle-blowing and governance processes;
- (d) the internal audit plan, audit processes, audit assessments, investigation undertaken, if any and action taken on internal auditor's recommendations;
- (e) the quarterly results and year-end financial statements, before recommending to the board of directors for approval, focusing in particular -
  - i) implementation of major accounting policy changes;
  - ii) significant matters highlighted by the management or Auditors including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and

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- iii) compliance with accounting standards and other legal requirements;
- (h) any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (i) resignation of the external and internal auditors of the listed issuer; and
- (j) establish a nomination and evaluation policy and procedures on the suitability, objectivity and independence of the external and internal auditors;
- (k) Review the internal and external auditors' fees recommended by the management;
- (l) Review and approve non-audit services to be rendered by the external auditors and its affiliates while taking into account the nature and extent of the non-audit services and the appropriateness of the level of fees
- (m) Review the Group's risk management framework; monitor the process of risk identification; evaluate the adequacy and effectiveness of the risk management and its mitigating measures; and
- (n) Review the disclosures, reports, statements and notes made in the annual report;
- (o) Prepare an ARMC Report to be included in the annual report detailing:
  - i the composition of the ARMC, including the name, designation (indicating the chairman) and directorship of the members (indicating whether the directors are independent or otherwise);
  - ii the number of ARMC meetings held during the financial year and detail of attendance of each ARMC member;
  - iii a summary of the work of the ARMC during the financial year and how it has met its responsibilities; and
  - iv a summary of the work of the internal audit function.

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### **6.0 MEETING PROCEDURES**

At least four meetings shall be convened during a year and any additional meetings as the ARMC Chairman deems necessary to discharge the ARMC duties. The Secretary shall on the request of any member, summon for a meeting at any time by giving all members seven days' notice in writing. A meeting may, with the consent of the majority of the Directors, be convened with a shorter notice.

The Company Secretary shall discuss with the ARMC Chairman on the agenda items for meetings. Other ARMC members may notify ARMC Chairman for inclusion of any agenda for a meeting.

Personal attendance by the ARMC members at meetings is preferred. But, ARMC may hold meetings at two or more venues using information technology that gives all members a reasonable opportunity to participate in the meeting. Other Directors, officers, employees, representatives of the Internal and External auditors may present in ARMC meeting only at the ARMC invitation, specific to the relevant meeting.

The ARMC may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A circular resolution in writing, stating the reason(s) to arrive at a recommendation or resolution, signed by majority members, shall be valid and effectual as if it had been passed at a meeting duly convened and constituted.

### **7.0 QUORUM**

The quorum of the meeting of the ARMC shall be at least two members where a majority of members present must be Independent Directors.

### **8.0 TRAINING AND DEVELOPMENT**

Members should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

### **9.0 REVIEW OF TERMS OF REFERENCE**

These terms of reference shall be reviewed annually to ensure that they remain consistent with the Board's objectives, current regulatory requirements and corporate governance best practices. Amendments made to these terms of reference shall be approved with a board resolution.