

The Audit Committee is established by the Board of Directors (“Board”) of Atrium REIT Manager Sdn Bhd (“the Manager” or “the Company”) to assist the Board in overseeing the Company’s and Atrium REIT’s operations in the areas of financial reporting process, risk management and internal control framework, suitability and independence of external auditors, and the effectiveness of the internal audit function.

1. Membership

- 1.1. The Audit Committee (“AC” or “the Committee”) members shall be appointed by the Board from amongst its Non-Executive Directors and shall consist of not less than three (3) members.
- 1.2. The majority of the AC members shall comprise of Independent Directors.
- 1.3. The members of the Committee shall be financially literate and shall include at least one (1) person: -
 - a. who is a member of the Malaysian Institute of Accountants; or
 - b. who must have at least three (3) years’ working experience and:
 - i. have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - ii. is a member of one (1) of the Associations of Accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
 - c. who must have at least three (3) years’ post qualification experience in accounting or finance and:
 - i. has a degree/ master/ doctorate in accounting or finance; or
 - ii. is a member of one (1) of the professional accountancy organisations which has been admitted as a full member of the International Federation of Accountants; or
 - d. who must have at least seven (7) years’ experience being a Chief Financial Officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.
- 1.4. A former partner of the external audit firm¹ of Atrium REIT or the Manager shall observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.
- 1.5. No Alternate Director shall be appointed as a member of the AC.
- 1.6. The members of the AC shall elect a Chairman from amongst their number, who shall be an Independent Director.
- 1.7. If a member of the AC resigns or ceases to be a member resulting in the non-compliance of Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), the Board must fill the vacancy within three (3) months.

¹ External audit firm refers to all former partners of the audit firm and/or the affiliate firm (including those providing advisory services, tax consulting etc.

- 1.8. The terms of office and performance of the AC and each of its members shall be reviewed by the Board on a yearly basis. However, the appointment terminates when a member ceases to be a Director of the Manager.
- 1.9. The performance of the Committee shall be evaluated by the Board on an annual basis to assess its effectiveness in carrying out its Terms of Reference.

2. Meetings

- 2.1. The quorum for the AC Meeting shall be at least two (2) members, both of whom must be Independent Directors.
- 2.2. The AC shall meet at least four (4) times a year and additional meetings may be called at any time at the Chairman of the AC's discretion.
- 2.3. All resolution of the AC shall be adopted by a simple majority vote, each member having one vote. The Chairman of the meeting shall have a second or casting vote.
- 2.4. A circular resolution in writing signed by a majority of the members of the AC shall be valid and effectual as if it had been passed at a meeting of the AC duly convened and held. Any such document which may be transmitted via facsimile or technological means shall be accepted as the resolution of the AC sufficiently signed by the member(s).
- 2.5. The External Auditors shall only attend the meetings at the invitation of the AC. However, at least once a year, the AC shall meet with the External Auditors without the presence of the non-member Directors or the management.
- 2.6. The non-member Directors and employees of the Company shall attend AC meetings at the invitation of the AC.
- 2.7. The Internal Auditors at the invitation of the AC shall present and discuss the audit reports and other related matters as well as the recommendations relating thereto and to follow-up on all relevant decisions made.
- 2.8. The Company Secretary shall act as Secretary to the AC and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.
- 2.9. The Secretary of the AC shall be entrusted to record all proceedings and minutes of all meetings of the AC.
- 2.10. The Chairman of the AC shall report on key issues discussed at each meeting to the Board.

3. Rights And Authority

The AC shall have the following authority as empowered by the Board:

- a) to investigate any activities within its term of reference;
- b) full, free and unrestricted access to any financial information pertaining to the Manager or Atrium REIT;
- c) direct communication channels with the external and internal auditors, as well as all employees of the Manager;
- d) to obtain external independent professional advice as necessary.
- e) to access information (financial or non-financial) of business associates/ agents who are having business relationship with the Manager or Atrium REIT.

4. Duties

The AC shall undertake the following duties and report to the Board:-

- a) to review quarterly results and year-end financial statements of Atrium REIT before submission to the Board for approval, focusing particularly on:
 - i. the going concern assumption;
 - ii. any changes in or implementation of major accounting policies and practices;
 - iii. significant issues arising from the audit including financial reporting issues, significant and unusual events or transactions, and how these matters are addressed;
 - iv. compliance with accounting standards, regulatory and other legal requirements; and
 - v. any major judgmental matters.
- b) to recommend for Board's approval, the nomination and appointment (if any), re-appointment of external auditors and their audit fee;
- c) to discuss the underlying reasons relating to resignation or dismissal of the external auditors, if any;
- d) to discuss with the external auditors, prior to the commencement of audit, their audit plan, and to ensure an effective co-ordination of audit where internal audit is involved;
- e) to review with the external auditors, their evaluation of system of internal controls, their management letter and the management's responses;
- f) to review the assistance given by employees of the Company to the external auditors;
- g) to conduct an annual assessment on the suitability, objectivity and independence of the external auditors, in accordance with the assessment procedures as set by the Manager, including the rotation policy set by Bursa Malaysia;
- h) to ensure that the internal audit function is independent and reports directly to the AC and the said internal audit function shall have direct access to the Chairman of the AC on all internal audit matters pertaining to Atrium REIT and the Manager;

- i) to approve the budget for the internal audit function including the proposed internal audit fees;
- j) to evaluate the performance and independence of the internal auditor (independent professional firm) including any matter concerning their appointment or termination;
- k) to review the internal audit function, including the following:
 - i. adequacy of the audit scope, functions, competency and resources of the internal audit function;
 - ii. internal audit plan including its work programme and activities;
 - iii. internal audit reports pertaining to the effectiveness of internal control, risk management and governance processes including compliance with the operational manuals, Securities Commission’s Guidelines on Real Estate Investment Trusts and Bursa Malaysia Securities Berhad’s Listing Requirements; and
 - iv. major findings of internal audit report and management’s response, and ensure that appropriate actions are taken based on the recommendations of the internal auditor;
- l) to review any related party transactions and situations where a conflict of interest may arise with the Company, including any transaction, procedure or course of conduct that raises questions of management integrity;
- m) to review and assess the effectiveness of risk management including identifying new risks and assessing the adequacy of controls to mitigate or manage those risks, on an annual basis;
- n) to ensure there is a systematic review on the implementation of adequate procedures to curb bribery and corruption risk faced by the Manager;
- o) to review all financial information to be provided to the regulators and/or to the public;
- p) to report promptly to Bursa Securities Berhad on any matter reported which has not been satisfactorily resolved by the Board which will result in the breach of the Listing Requirements of Bursa Securities;
- q) to review whistle-blowing policy;
- r) to review the Company’s IT approach to managing cybersecurity and data privacy risks;
- s) to review and recommend to the Board for approval the following statements for inclusion in Atrium REIT’s Annual Report:
 - i. Audit and Risk Management Committee Report,
 - ii. Corporate Governance Overview Statement,
 - iii. Statement on the Board of Directors’ responsibility for the preparation of the annual audited financial statements,
 - iv. Statement of Risk Management and Internal Control; and
- t) to consider other matters as may be directed by the Board from time to time.

5. Review of Term of Reference

This Terms of Reference shall be reviewed periodically and updated as necessary to ensure its continued relevance, accuracy, and alignment with applicable laws, regulations, and best practices. The Company reserves the right to amend or revise this policy at its sole discretion. Any material changes will be communicated to all relevant stakeholders in a timely manner.