

## **BINA PURI HOLDINGS BHD.**

[Registration No. 199001015515 (207184-X)]  
(Incorporated in Malaysia)

### **TERMS OF REFERENCE OF AUDIT COMMITTEE**

(Revised and adopted on 30 October 2024)

#### **1. Objective**

The primary objective of the Audit Committee ("**Committee**") is to create a robust system of checks and balances, ensuring transparency, accountability, and integrity in financial reporting and audit processes. The Committee serves as an independent body that evaluates the accuracy and reliability of financial statements, monitors compliance with regulatory requirements, assesses internal controls, identifies and manages financial risks, and thereby strengthens the overall governance framework of the Company.

#### **2. Composition**

The Committee shall be appointed by the Board and shall comprise of not less than three (3) non-executive directors, majority of whom must be Independent Directors. In this respect, the Board adopts the definition of "independent directors" under the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

No alternate director shall be appointed as a member of the Committee. The Committee shall also not include any person who has a relationship that, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the functions of an Audit Committee.

At least one (1) member of the Committee must be:-

- a) a member of the Malaysian Institute of Accountant ("**MIA**"); or
- b) if he is not a member of MIA, he must have at least three (3) years of working experience and:
  - i. he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
  - ii. he must be a member of one (1) of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- c) fulfils such other requirements as prescribed or approved by Bursa Securities.

The members of the Committee shall elect a Chairman from amongst themselves who shall be an Independent Director.

The term of office and performance of the Committee and each of its members shall

be reviewed by Nominating Committee annually to determine whether the Committee and its members have carried out their duties in accordance with their Terms of Reference.

If a member of the Committee resigns or for any other reason ceases to be a member, resulting in the number of members falling below three (3), the Board must, within three (3) months from the date of that event, appoint new member to fill the vacancy.

### **3. Authority**

The Board authorises the Committee, within the scope of its duties and responsibilities set out in this TOR to:

- i) acquire the resources which are required to perform the activities required to discharge its responsibilities and make the relevant recommendations to the Board;
- ii) have full and unrestricted access to information pertaining to the Group;
- iii) at the Company's expense, obtain relevant internal and external independent professionals to assist in the proper discharge of its roles and responsibilities; advice, as it deems necessary;
- iv) Investigate any activity within its Terms of Reference, with the co-operation of all employees as directed by the Board and the Committee;
- v) Convene meetings with the internal or external auditors, without the attendance of the Executive Directors, whenever deemed necessary; and
- vi) Make relevant reports when necessary to the relevant authorities when a breach of the Listing Requirements has occurred.

### **4. Responsibilities and Duties**

The Committee shall be the focal point for communication between external auditors, internal auditors, Directors and the Management on matters in connection with financial accounting, reporting and controls. It shall also ensure that accounting policies and practices are adhered to by the Company and its subsidiaries ("**Group**").

The duties of the Committee shall include, but not limited to the following:

#### **External Audit**

- i. To review the competence, audit quality, resource capacity of the external auditors and to make recommendations on their appointment, termination and remuneration.
- ii. To review with the external auditors on their audit plan, their evaluation of the system of internal controls, audit report, problems and reservations arising from the interim and final audits, the management letter and management's response and the adequacy of assistance given by the Group's employees.
- iii. To consider any concerns raised by external auditors in respect of breach or non-performance of any requirement or rules that may materially affect the financial position of the Group.
- iv. To ensure the proper policies and procedures are established and to assess the suitability and independence of external auditors, including obtaining written assurance from external auditors confirming they are and have been independent throughout the conduct of audit engagement in accordance with the TOR of all relevant professional and regulatory requirements.
- v. To review and approve non-audit services which may be provided by the external auditors (e.g. contract and nature) and the fee for such service. In the event that the non-audit fees paid to the external auditors are significant (e.g. constitute 50% of the total amount of audit fees paid to the external auditors), the Company is required to state the details on to the nature of non-audit services rendered in the Committee Report.

#### **Internal Audit**

- i. To consider the appointment and removal of the internal auditor, the audit fees and to review any issue related to their resignation or dismissal.
- ii. To review the adequacy of the scope, competency, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work.
- iii. To approve the internal audit plan and review the internal audit findings and ensure that appropriate action is taken based on the recommendations of the internal auditor.
- iv. To review the performance of the internal auditor, whose role includes the examination and evaluation of the Group's operations and compliance with the relevant policies, codes and legislations.
- v. To assess the effectiveness of the Company's internal audit function and make recommendations necessary for the improvement of the internal audit function.

### **Financial Reporting**

- i. To review the quarterly results and year-end financial statements prior to approval by the Board, focusing particularly on major accounting policy changes or implementation, significant audit issues in relation to the estimates and judgement areas, significant and unusual events, the going concern assumption and compliance with accounting standards and other legal requirements.

### **Related Party Transactions/Conflict of Interest Situations**

- i. To monitor any related party transactions and recurring related party transactions that may arise within the Group and to report, if any, transactions that may arise within the Group and any related party outside the Group that are not based on arms-length terms and are disadvantageous to the Group.
- ii. To review any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or cause of conduct that may raise questions of management integrity and the measures taken to resolve, eliminate or mitigate such conflicts.
- iii. To ensure that the Group has adequate procedures and processes in place to monitor and track related party transactions and to review these processes.

### **Others**

- i. To consider the major findings of internal investigations and Management's response;
- ii. To verify the allocation of the Employee Share Option Scheme ("ESOS") in compliance with criteria as stipulated in the by-laws of the ESOS of the Company;
- iii. To consider other matters as defined by the Board.

## **5. Meetings**

The Committee shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties. In the event the elected Chairman is not able to attend a meeting, a member of the Committee shall be nominated as Chairman for the meeting. The nominated Chairman shall be an Independent Non-Executive Director.

The external auditors and internal auditors may request a meeting if they consider that one is necessary. If necessary, the Committee shall meet with the external auditors and internal auditors without the presence of executive Board members and employee of the Company.

The authorised officers and representatives of the external auditors and internal auditors may attend meetings at the invitation of the Committee. Other Board members shall also have the right to attendance upon the invitation of the Committee.

Subject to the notice and quorum requirements as provided in the Terms of Reference, meeting of the Committee may be held and conducted through telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.

#### **6. Quorum**

The quorum for a meeting of the Committee shall consist of not less than two (2) members, majority of members present must be Independent Non-Executive Directors.

#### **7. Notice of Meetings**

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the committee, any other person required to attend and all other non-executive directors, no later than seven (7) days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees as appropriate within a reasonable period prior to the meeting.

#### **8. Secretary and Minutes**

The Company Secretary or his nominee or such other persons authorised by the Board shall act as the Secretary of the Committee. The Company Secretary shall record, prepare and circulate the minutes of the meetings of the Committee and ensure that the minutes are properly kept and produced for inspection if required.

#### **9. Circular Resolution**

A resolution in writing, signed or approved by letter, telegram, telex, telefax or electronic means by majority of the Committee members present in Malaysia for the time being entitled to receive notice of a meeting of the Committee, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

All such resolution shall be described as "Audit Committee Circular Resolution" and shall be forwarded or otherwise delivered to the Secretary and shall be recorded in the Company's minutes book.

Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

**10. Revision and Updates**

This Terms of Reference will be reviewed and updated periodically to ensure it remains consistent with the Committee's objectives and responsibilities.