

**BIMB HOLDINGS BERHAD (“BHB”)  
(423858-X)**

**TERMS OF REFERENCE (“TOR”) OF  
AUDIT AND EXAMINATION COMMITTEE (“AEC”)**

<b>1.0</b>	<b>INTRODUCTION</b>	<p>The objective of the Committee is to provide assistance to the Board in fulfilling its oversight responsibility to the shareholders relating to the following Company matters:-</p> <ul style="list-style-type: none"><li>a) the integrity of the financial statements.</li><li>b) the performance of External Auditors.</li><li>c) the effectiveness of the internal control.</li><li>d) the performance of Internal Audit functions.</li><li>e) the compliance with legal and regulatory requirements.</li></ul>
<b>2.0</b>	<b>AUTHORITY</b>	<p>In discharging AEC duties, the Committee shall have the following authorities authorized by the Board:-</p> <ul style="list-style-type: none"><li>a) To seek any information it requires from any employee of the Company in order to perform its duties.</li><li>b) To obtain, at the Company's expense, any professional advice including the advice of independent consultant and to secure the attendance of the external advisers at its meeting if it considers necessary to help it fulfill its obligations.</li><li>c) Full and unrestricted access to the Company's records, properties and personnel.</li><li>d) Full and unrestricted access to advice and services of the Company Secretary.</li></ul>

		<p>In carrying out its duties and responsibilities, the Committee is empowered to do the following:-</p> <ul style="list-style-type: none"> <li>a) Investigate any activity or matter brought upon the Committee's attention.</li> <li>b) Promptly report to the relevant authorities on matters which have not been resolved satisfactorily thus resulting in a regulatory breach.</li> <li>c) Obtain external independent professional advice, legal or otherwise as deemed necessary.</li> <li>d) Maintain direct communication channels with external auditors, person(s) carrying out the internal audit functions and senior management of the Company and its subsidiaries.</li> <li>e) Convene meetings with internal and external auditors, without the attendance of the Management, whenever deemed necessary.</li> </ul>
<p><b>3.0</b></p>	<p><b>COMPOSITION</b></p>	<ul style="list-style-type: none"> <li>a) Pursuant to Bank Negara Malaysia (BNM) Corporate Governance Policy issued on 3 August 2016, the Committee must:- <ul style="list-style-type: none"> <li>(i) have at least three (3) directors and all members must be non-executive directors*;</li> <li>(ii) have a majority of independent directors;</li> <li>(iii) be chaired by an independent director, who is not the Chairman of the Board; and</li> <li>(iv) comprise directors who have the skills, knowledge and experience relevant to the responsibilities of the Committee.</li> </ul> <p><i>*Executive Director refers to a director of the Company who has management responsibilities in the Company or any of its affiliates.</i></p> </li> <li>b) At least one (1) Member shall be a member of the Malaysian Institute of Accountant (MIA).</li> <li>c) The Committee shall not consist of any alternate director of the Company.</li> <li>d) The Members shall be formally appointed and/or terminated by the Board.</li> </ul>

		<p>e) Members of the Committee may relinquish their membership in the Committee with prior written notice to the Secretary and may continue to serve as Directors of the Company.</p>
<p><b>4.0</b></p>	<p><b>ROLES AND RESPONSIBILITIES</b></p>	<p>The primary duties and responsibilities of the Committee are as follows:-</p> <p><b>4.1 Internal Audit</b></p> <p>a) Review the effectiveness of the internal audit functions which include:</p> <ul style="list-style-type: none"> <li>i. Review and approve the internal audit scope, procedures and frequency; and</li> <li>ii. Review key audit reports and ensure appropriate necessary corrective actions have been taken by the Management in timely manner to address control weaknesses, policies and other problems identified by the internal auditors and other control functions.</li> </ul> <p>b) To recommend to the Board on the appointment or termination of the Chief Internal Auditor.</p> <p>c) Assess the performance of the Chief Internal Auditor and determine and recommend the remuneration and annual increment of the Chief Internal Auditor.</p> <p><b>4.2 Internal Controls</b></p> <p>a) Review the effectiveness of internal controls and risk management processes.</p> <p>b) Review the Company's statement on internal control systems prior to endorsement by the Board of Directors.</p> <p>c) Review third party opinions on the design and effectiveness of the Company's internal control framework.</p>

		<p><b>4.3 External Audit</b></p> <ul style="list-style-type: none"><li>a) Review the external auditors' audit scope and plan, evaluation of the system of internal control and audit report.</li><li>b) Review the appointment of external auditors and the audit fee and any question of resignation or dismissal and to make recommendations to the Board.</li><li>c) Review and monitor the effectiveness of the external auditors' performance and their independence and objectivity by way of an assessment to be conducted annually.</li><li>d) Review the external auditors' letter to the Management and Management's responses, including the previous audit recommendations and make recommendations to the Board.</li><li>e) Approve the provision of non-audit service by external auditor.</li></ul> <p><b>4.4 Financial Reporting</b></p> <p>Review the quarterly and year-end financial statements of the Company before submission to the Board of Directors, focusing particularly on:-</p> <ul style="list-style-type: none"><li>a) Any changes in accounting policies and practice.</li><li>b) Significant matters highlighted including financial reporting issues, significant judgement made by Management, significant and unusual events or transactions, and how these matters are addressed.</li><li>c) Significant adjustments resulting from the audit;</li><li>d) The going concern assumption.</li><li>e) Compliance with applicable Financial Reporting Standard and other legal and regulatory requirements.</li></ul>
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<p><b>5.0</b></p>	<p><b>CHAIRMAN</b></p>	<p>The Chairman of the Committee shall chair the Committee meetings and in his absence, the Members present shall elect one Member among themselves to chair the meeting subject always that person must be an Independent Non-Executive Director and is not the Chairman of the Board;</p>
<p><b>6.0</b></p>	<p><b>SECRETARY</b></p>	<p>a) The Secretary of the Committee shall be the Company Secretary or such other person(s) appointed by the Committee.</p> <p>b) The Secretary shall record the proceedings and resolutions of all proceedings of AEC. The minutes must record the decisions of the Committee, including the key deliberations, rationale for each decision made, and any significant concerns or dissenting views. The minutes must also indicate whether any member abstained from voting or excused himself from deliberating on a particular matter.</p>
<p><b>7.0</b></p>	<p><b>NOTICE OF MEETING</b></p>	<p>In addition to the scheduled meeting, the Secretary shall convene any special meeting upon receipt of request from the Chairman/directors by giving due notice. It shall not be necessary to give notice of a Committee meeting to any Member for the time being absent from Malaysia.</p>
<p><b>8.0</b></p>	<p><b>QUORUM FOR MEETING</b></p>	<p>a) No business shall be transacted at any meeting of the Committee unless a quorum is present. The quorum necessary for the meeting shall be at least 50% of the total members.</p> <p>b) All decisions and/or approvals are to be made on unanimous basis, whilst always adhering to the quorum of meeting.</p> <p>c) All minutes of the meetings including the recommendations and findings of the Committee shall be submitted to the Board for notification.</p>

		<p>d) In order to avoid conflict of interest, a member of the Committee shall abstain from participating in discussions and decisions on matters directly involving him/her.</p> <p>e) Any member who participates in the meeting via tele-conferencing device shall be counted for the purpose of determining a quorum.</p>
<b>9.0</b>	<b>FREQUENCY OF MEETING</b>	<p>a) The Committee shall meet not less than 4 (four) times a year, with additional meetings for particular matters, as and when required.</p> <p>b) The Secretary shall draft out the agenda for each meeting, in consultation with the Chairman of the Committee. The agenda shall be sent to all Members of the Committee and any other persons who may be required to attend the meeting.</p>
<b>10.0</b>	<b>CIRCULAR RESOLUTION</b>	<p>a) The Committee may deal with matters by way of circular reports and resolution. A resolution in writing signed by all the members who may at the time be present in Malaysia, shall be as valid and effectual as if it had been passed by a meeting of the Committee duly called and constituted. The decision shall be presented at the next Committee meeting.</p> <p>b) Consent from the Chairman shall be obtained prior to the issuing of any circular resolution.</p>
<b>11.0</b>	<b>ATTENDANCE</b>	<p>a) Members are required to attend a least 75% of total meetings held during the financial year.</p> <p>b) The Group Managing Director/Chief Executive Officer and Chief Financial Officer are invited to attend the meetings.</p> <p>c) Subject to the Chairman's consent with the advice from Group Managing Director/Chief Executive Officer, the Senior Management or any other persons shall be invited to attend the meetings as and when required.</p>

		<p>d) Members who are unable to attend the meeting shall advise the Chairman or the Secretary.</p> <p>e) At least twice a year, the Committee shall meet with the external auditors without the present of executive board members and Management.</p>
<b>12.0</b>	<b>REVIEW</b>	<p>The Board of Directors may review the Terms of Reference of the Committee once every two (2) years or as and when is necessary.</p>

Dated : 5 December 2018