



UNIMECH GROUP BERHAD
Company No: 199601035227 (407580-X)

AUDIT COMMITTEE

TERMS OF REFERENCE

Members

The Audit Committee (“AC”) shall consist of at least three (3) members appointed by the Board from amongst the Directors, all of whom shall be Non-Executive Directors. The AC members shall comprise solely of Independent Directors. None of the Alternate Directors shall be appointed as a member of the Committee. The members of the Committee shall select a Chairman from amongst the Independent Non-Executive Directors.

All AC members shall be financially literate and are able to understand matters under the purview of the AC including the financial reporting process. At least one (1) member of the Committee must:-

- i. be a member of the Malaysian Institute of Accountant; or
- ii. have at least three (3) years working experience and:-
 - Must have passed the examination specified in Part I of the 1st Schedule of the Accountants Act, 1967 or
 - Must be a member of one of the association of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.

Where a former key audit partner is appointed as the Independent Director of the Company, a cooling-off period of at least three (3) financial year ends is observed before the concern person can be appointed as a member of the AC.

If a Member of the Committee for any reason ceases to be a Member of the Committee with the result that the number of the Member is reduced below three (3), the Board shall within three (3) months of that event, appoint such number of new Member as may be required to make up the minimum number of three (3) Members.

Meetings

The Committee shall regulate its own proceedings. The Committee shall meet not less than four (4) times a year. Additional meetings may be held at the discretion of the Committee or at the request of external auditors.

The quorum of the meeting is two (2) and majority of Members present must be Independent Directors.

Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is also authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

The Committee is also authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience if it considers this necessary.

Responsibilities and Duties

The responsibilities and duties of the Committee shall include:-

- To recommend the appointment of the external auditors, their audit fee and any question of their resignation or dismissal to the Board;
- To discuss with external auditors their audit plan, the nature and scope of the audit;
- To discuss problems and reservations arising from the interim and final audits, and any matters the external/internal auditors may wish to discuss (excluding the attendance of other directors and employees of the Group);
- To review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- To review the internal audit program, processes, the results of the internal audit program, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- To review the appraisal or assessment of the performance of the staff of the internal audit function; to approve any appointment or termination of senior staff of the internal audit function;
- To review quarterly and year end financial statements, prior to the approval by the Board, focusing particularly on changes in or implementation of major accounting policy changes, significant and unusual events, going concern assumption and compliance with accounting standards and other legal requirements;
- To review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- To review the shares buy back transactions undertaken by the Company;

- To carry out such other functions and consider other topics, as may be agreed upon by the Board.

Reporting Procedures

The Committee is authorized to regulate its own procedure and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceeding thereat, the keeping of minutes and the custody, production and inspection of such meetings.

This Terms of Reference of AC was reviewed by the Board on 24 August 2022.