

TERMS OF REFERENCE FOR AUDIT AND RISK MANAGEMENT COMMITTEE

Size and Composition

The Committee shall be appointed by the Board of Directors of Mesiniaga from amongst their members and shall consist of not less than three (3) members, the majority of whom shall be Independent Directors.

At least one member of the Committee:-

- a. must be a member of the Malaysian Institute of Accountants; or
- b. if he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least three years' working experience and:-
 - i. he/she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - ii. he/she must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- c. Fulfils such requirements as prescribed by Bursa Securities.

The Chairman of the Committee shall be an Independent Director.

A former key audit partner must observe a cooling-off period of at least two years before being appointed as a member of the Committee.

Frequency of Meetings

Meetings shall be held not less than four (4) times a year and as and when required during the financial year. The quorum for a meeting shall be at least two (2) committee members.

Secretary

The Secretary of the Audit and Risk Management Committee shall be the Head of Audit and Risk Department of the Group. Minutes of meetings shall be recorded, circulated and adopted by the Committee.

Purpose of the Committee

The Audit and Risk Management Committee (ARMC) assists the Board in evaluating the adequacy of risk management and internal control framework as well as in fulfilling its statutory and fiduciary responsibilities. ARMC would review the financial statements and financial reporting process, the system of internal controls, management of enterprise risk, the audit process and the process of monitoring compliance with law and regulations including Bursa Securities and Securities Commission Requirements and the Group's Code of Conduct.