

TERMS OF REFERENCE OF AUDIT COMMITTEE
(Revised as at 28 June 2022)

1. Composition of members

The Board shall appoint the Audit Committee members from amongst themselves, comprising no fewer than three (3) members, all of whom shall be Non-Executive Directors. The majority of the Audit Committee members shall be Independent Directors.

*In this respect, the Board adopts the definition of "Independent Director" as defined under Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**") Main Market Listing Requirements ("**Listing Requirements**").*

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members of the Audit Committee shall be financially literate and are able to understand the matters under the purview of the Audit Committee including the financial reporting process. At least one (1) member of the Audit Committee must be: -

- (a) a member of the Malaysian Institute of Accountants ("**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 Malaysia Securities.

No alternate Director of the Board shall be appointed as a member of the Audit Committee.

No former partner of the Company's external audit firm shall be appointed as a member of the Audit Committee unless the said former partner has observed a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee. The former partner herein refers to all former partners of the audit firm and/or the affiliate firm (including those providing advisory services, tax consulting etc.)

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

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Retirement and resignation

If a member or Chairman of the Audit Committee resigns, dies, or for any reason ceases to be a member or Chairman resulting in non-compliance to the composition criteria as stated in paragraph 1 above, the Board and members of the Audit Committee shall within three (3) months of the event appoint/elect such number of the new member(s) and Chairman of the Audit Committee respectively as may be required to fill the vacancy.

2. Chairman

The Chairman of the Audit Committee shall be an Independent Non-Executive Director, elected from amongst the Audit Committee members and who shall not be the Chairman of the Board. The Chairman of the Audit Committee shall be approved by the Board of Directors.

In the absence of the Chairman of the Audit Committee, the other members of the Audit Committee shall amongst themselves elect a Chairman who must be Independent Director to chair the meeting.

The Chairman of the Audit Committee together with other members of the Audit Committee should ensure amongst others that: -

- the Audit Committee is fully informed about significant matters related to the Group's audit and its financial statements and address these matters;
- the Audit Committee appropriately communicates its insights, views and concerns about relevant transactions and events to internal and external auditors;
- the Audit Committee's concerns on matters that may have an effect on the financial or audit of the Group are communicated to the external auditors; and
- there is co-ordination between internal and external auditors.

3. Secretary(ies)

The Secretary(ies) of the Audit Committee shall be the Company Secretary(ies) of the Company.

The Secretary(ies) shall be responsible for drawing up the agenda and circulating it prior to each meeting and keeping the minutes of meetings of the Audit Committee.

4. Terms of Office

The Nomination Committee of the Company shall review the term of office and performance of the Audit Committee and each of its members annually to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

5. Meetings

The Audit Committee shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

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Upon the request of the external auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditors believes should be brought to the attention of the Directors or shareholders.

Reasonable notice of Audit Committee meetings shall be given in writing sent through the post, facsimile, electronic mail and by any means of telecommunication in permanent written form to all the Audit Committee members unless the Audit Committee waives such requirement.

The Audit Committee may hold a committee meeting at two (2) or more venues within or outside Malaysia using any technology that gives the Audit Committee members as a whole a reasonable opportunity to participate. Any member of the Audit Committee participates at an Audit Committee meeting by way of telephone and video conferencing or by means of other communication equipment whereby all persons participating in the meeting are able to hear each other and be heard for the entire duration of the meeting in which event such member shall be deemed to be present at the meeting. A member participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the members attending the meeting provided that at least one (1) of the members present at the meeting was at such place for the duration of that meeting. All information and documents must be made equally available to all participants prior to or at/during the meeting.

The Chairman of the Audit Committee shall engage on a continuous basis with the Group Executive Chairman, the Group Managing Director, the Corporate Controller, senior management, the internal audit and the external auditors in order to be kept informed of matters affecting the Company.

The Corporate Controller and a representative of the internal and external auditors respectively should normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the Audit Committee. The Audit Committee shall be able to convene meetings with the external auditors, the internal auditors or both, without executive Board members or employees present whenever deemed necessary.

Questions arising at any meeting of the Audit Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Audit Committee shall have a second or casting vote.

6. Circular Resolution

A resolution in writing signed or approved by letter, telex or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as "Audit Committee Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary(ies) in the minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members. Any such document, may be accepted as sufficiently signed by a Audit Committee Member if transmitted to Company by electronic mail, mobile messaging application, telex, telegram, cable,

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facsimile or other electrical or digital written message purporting to include a signature of a Audit Committee Member.

7. Minutes

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Audit Committee and also to the other members of the Board. The Audit Committee Chairman shall report on each meeting to the Board.

The minutes of the Audit Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

8. Quorum

The quorum for the Audit Committee meeting shall be the majority of members present whom must be Independent Directors.

9. Reporting

The Chairman of the Audit Committee shall report to the Board of Directors, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least once a year, but more frequently if it so wishes.

The Audit Committee shall report to the Board of Directors on any specific matters referred to it by the Board for investigation and report.

10. Objectives

The principal objectives of the Audit Committee are to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries. In addition, the Audit Committee shall:-

- (a) evaluate the quality of the audits performed by the internal and external auditors;
- (b) provide assurance that the financial information presented by management is relevant, reliable and timely;
- (c) oversee compliance with laws and regulations and observance of a proper code of conduct;
- (d) determine the quality, adequacy and effectiveness of the Group's control environment; and
- (e) ensure financial statements comply with applicable financial reporting standards.

11. Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board and at the expense of the Company,

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- (a) have explicit authority to investigate any matter within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Audit Committee.
- (b) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company and Group.
- (c) obtain, at the expense of the Company, other independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any).
- (f) where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Malaysia Securities.
- (g) be entitled to the services of the Company Secretary(ies).

12. Duties and Responsibilities

The duties and responsibilities of the Audit Committee are as follows:-

- (a) To consider and recommend to the Board, the appointment, re-appointment or dismissal of the external auditors and their audit fees;
- (b) To review the following: -
 - i. any letter of resignation from the external auditors and the reason(s) of resignation; and
 - ii. whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment.
- (c) To assess the suitability, objectivity and independence of external auditors, including obtaining written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements;
- (d) To approve the non-audit services provided by the external auditors and/or their affiliates.
- (e) To discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one (1) audit firm is involved;
- (d) To review with the external auditors his evaluation of the system of internal controls and his audit report;
- (e) To review the quarterly and year-end financial statements of the Board,

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focusing particularly on –

- any change in or implementation of major accounting policy changes;
 - significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed; and
 - compliance with accounting standards and other legal requirements.
- (f) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary);
- (h) To do the following, in relation to the internal audit function:-
- review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - review the internal audit plan and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - consider the internal audit reports and findings by the internal auditors, fraud investigations and actions and steps taken by the management in response to audit findings.
 - review and decide on the budget allocated to the internal audit function.
 - review any appraisal or assessment of the performance of members of the internal audit function;
 - consider and approve any appointment or termination of senior staff members of the internal audit function;
 - take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning; and
 - monitor the overall performance of the Company's internal audit function.
- (i) To consider any related party transactions 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;
- (j) To report its findings on the financial and management performance, and other material matters to the Board;

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- (k) To monitor the integrity of the Company's financial statements and ensure the said financial statements are prepared in accordance to the applicable financial reporting standard;
- (l) To perform the oversight function over the administration of whistleblowing policy that is approved and adopted by the Board and to protect the values of transparency, integrity, impartiality and accountability where the Group conducts its business and affairs;
- (m) To consider the major findings of internal investigations and management's response;
- (n) To verify the allocation of employees' share issuance scheme ("**ESIS**") in compliance with the criteria as stipulated in the by-laws of ESIS of the Company, if any;
- (o) to monitor the Company's compliance with relevant laws, regulations and code of conduct.
- (p) To consider other topics as defined by the Board; and
- (q) To consider and examine such other matters as the Audit Committee considers appropriate.

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