



# **TPC PLUS BERHAD**

Registration No. 200301012910 (615330-T)  
(Incorporated in Malaysia under the Companies Act, 1965)

## **AUDIT COMMITTEE CHARTER**

Reviewed by the Audit Committee and  
Approved by the Board of Directors on 27 February 2023

## CONTENTS

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	Page
1. ESTABLISHMENT	1
2. COMPOSITION	1
3. MEETINGS	2
4. AUTHORITY	3
5. DUTIES AND RESPONSIBILITIES	
• Financial Reporting	3
• External Audit	4
• Internal Audit	5
• Related Party Transactions	6
• Others	6
6. REPORTING RESPONSIBILITIES	6
7. REVIEW	6

## 1. ESTABLISHMENT

- 1.1 The Audit Committee is a committee of the Board of Directors (“**the Board**”) of TPC Plus Berhad (“**the Company**”) established by the Board on 15 October 2003.

## 2. COMPOSITION

### Members

- 2.1 The Audit Committee shall be appointed by the Board from amongst its Directors and shall consists of not less than 3 members <sup>1</sup>.
- 2.2 All the Audit Committee members must be Non-Executive Directors, with a majority of them being Independent Directors <sup>1</sup>.
- 2.3 At least one member of the Audit Committee <sup>1</sup>:
- 2.3.1 Must be a member of the Malaysian Institute of Accountants; or
- 2.3.2 If he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years’ working experience and:
- (a) He must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
- (b) He must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- 2.3.3 Fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad (“**Bursa Securities**”).
- 2.4 The chairman of the Board <sup>2</sup> and Alternate Director <sup>1</sup> shall not be appointed as a member of the Audit Committee.
- 2.5 A former partner of the Company’s External Auditors and its affiliate firms must observe a cooling-off period of at least 3 years <sup>3</sup> before being appointed as a member of the Audit Committee.
- 2.6 In the event of any vacancy in the Audit Committee resulting in the non-compliance of Paragraphs 2.1 to 2.3 above, the Board shall fill the vacancy within 3 months <sup>4</sup>.
- 2.7 All members of the Audit Committee should be financially literate <sup>4A</sup>, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process. In this regard, an annual assessment shall be carried out to assess the financial literacy of the Audit Committee members.
- 2.8 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 <sup>4A</sup>.

- 2.9 The Nomination and Remuneration Committee shall review the term of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and members have carried out their duties in accordance with this Audit Committee Charter <sup>5</sup>.

### **Chairman**

- 2.10 The members of the Audit Committee shall elect a Chairman from among themselves who is an Independent Director <sup>6</sup>.
- 2.11 In consistent with Paragraph 2.4 above, the Chairman of the Audit Committee shall not be the Chairman of the Board <sup>6A</sup>.

## **3. MEETINGS**

- 3.1 The Audit Committee shall meet at least 4 times a year to properly carry out its duties and ensure effective discharge of its responsibilities. Additional meetings may be called at any time at the Chairman's discretion.
- 3.2 The Audit Committee members may participate in a meeting of the Audit Committee by means of a conference telephone or similar electronic telecommunication device or any other audio, audio-visual or communication equipment which allows all persons participating in the meeting to hear and speak with each other throughout the duration of the meeting. Any person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Unless otherwise decided by the Audit Committee, such a meeting shall be deemed to take place at the venue of the meeting stated in the notice of meeting.
- 3.3 An Audit Committee meeting shall be called by a notice of at least 7 days except in the case of an emergency whereby a reasonable notice of the Audit Committee meeting will be sufficient. An irregularity in the notice of a meeting is waived if all the Audit Committee members entitled to receive notice of the meeting attend the meeting without objection to the irregularity.
- 3.4 In order to form a quorum in respect of a meeting of the Audit Committee, the majority of members present must be Independent Directors <sup>7</sup>.
- 3.5 In the absence of the Chairman, the members present shall elect a chairman for the meeting from amongst the members present.
- 3.6 Each member of the Audit Committee is entitled to 1 vote in deciding the matters deliberated in the meeting. The decision that gained a majority of votes shall be the decision of the Audit Committee. In the event of an equality of votes, the Chairman of the Audit Committee shall not be entitled to a second or casting vote. Such matter shall be escalated to the Board for decision.
- 3.7 A member of the Audit Committee shall excuse himself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him.

- 3.8 The Audit Committee has the full discretion to invite other Directors and employees of the Group to its meeting as it deems necessary subject always that the other Directors and employees attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting <sup>8</sup>.
- 3.9 The External Auditors and Internal Auditors shall be invited to attend the Audit Committee meeting to present their findings and opinion on the audit carried out.
- 3.10 The Audit Committee may convene meetings with the External Auditors and Internal Auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary <sup>9</sup>.
- 3.11 The Company Secretary shall act as the Secretary of the Audit Committee. The discussions and conclusions of the Audit Committee meetings should be minuted and the minutes entered into the minutes book kept by the Secretary. Any reproduction of any part of the minutes can be only through or by the Secretary.

#### **4. AUTHORITY**

The Audit Committee shall have the authority to:

- 4.1 Investigate any matter within its terms of reference;
- 4.2 Have the resources which are required to perform its duties;
- 4.3 Have full and unrestricted access to any information pertaining to the Company and its subsidiary companies (collectively, "**the Group**") whereby all employees of the Group are required to comply with the requests made by the Audit Committee;
- 4.4 Have direct communication channels with the External Auditors, Internal Auditors or person(s) carrying out the internal audit function or activity;
- 4.5 Obtain independent professional or other advice and invite persons with relevant experience and expertise to attend its meetings as it may consider necessary; and
- 4.6 Authorise the Audit Committee Chairman for the time being to carry out the Audit Committee's responsibilities as required under the Group's Whistleblowing Policy.

#### **5. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Audit Committee shall be to:

##### **Financial Reporting**

- 5.1 Review the quarterly results and year-end financial statements with the Management and External Auditors before submitting to the Board for approval, focusing particularly on:

- 5.1.1 Changes in or implementation of major accounting policy changes;
- 5.1.2 Significant matters highlighted including financial reporting issues, significant judgments made by the Management, significant and unusual events or transactions, and how these matters are addressed;
- 5.1.3 Significant adjustments arising from the audit;
- 5.1.4 The going concern assumptions; and
- 5.1.5 The compliance with accounting standards and other legal requirements;
- 5.2 Review and provide advice to the Board on whether the financial statements taken as a whole provide a true and fair view of the Company's financial position and performance.
- 5.3 Demonstrate an appropriate level of vigilance and scepticism towards, among others, detection of any financial anomalies or irregularities in the financial statements.
- 5.4 Ask probing questions to ascertain whether the financial statements are consistent with operational and other information known whenever there are significant matters requiring judgement.

#### **External Audit**

- 5.5 Review with the External Auditors, the audit plan, the evaluation of the system of internal controls and the audit report.
- 5.6 Review the assistance given by the employees of the Company and the Group to the External Auditors.
- 5.7 Review any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the External Auditors.
- 5.8 Review any letter of resignation from the External Auditors including any written representations or statement of circumstances connected with the resignation made by the External Auditors.
- 5.9 Assess annually the suitability, objectivity and independence of the External Auditors by taking into consideration the following and undertake follow-up measures where required:
  - 5.9.1 The competence, audit quality and resource capacity of the External Auditor in relation to the audit;
  - 5.9.2 The information presented in the Annual Transparency Report of the External Auditors; and
  - 5.9.3 The 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.

- 5.10 Review the letter of resignation from the External Auditors including any written representations connected with the resignation made by the External Auditors.
- 5.11 Consider whether there is reason (supported by grounds) to believe that the External Auditors is not suitable for re-appointment.
- 5.12 Recommend the appointment or re-appointment of the External Auditors and the appropriateness of the audit fees in support of a quality audit.
- 5.13 Approve all non-audit services before they are rendered by the External Auditor and its affiliates <sup>10</sup> taking into account the nature and extent of the non-audit services and the appropriateness of the level of fees.
- 5.14 Ensure that there are no situations where the External Auditors inadvertently assumes the responsibilities of management in the course of providing non-audit services.
- 5.15 Convene an Audit Committee Meeting upon the request of the External Auditor to consider any matter the External Auditor believes should be brought to the attention of the Directors or Shareholders.

#### **Internal Audit**

- 5.16 Review the Company's Internal Audit Charter and ensure the internal audit functions are adequately resourced.
- 5.17 Determine the responsibilities of the Internal Auditors who shall reports directly to the Audit Committee. The Internal Auditors should be independent of the activities they audit and should be performed with impartiality, proficiency and due professional care.
- 5.18 Review the adequacy of the Internal Audit Plan, the scope of audits and ensure that the Internal Auditors have the necessary authority, competency and resources to carry out their work.
- 5.19 Review the processes, the results of the internal audit assessments and the investigation undertaken and whether or not appropriate action is taken on the recommendations of the Internal Auditors. Any reservation that the Internal Auditors may have arising from their audit assessment should be taken before and discussed by the Audit Committee.
- 5.20 Ascertain that the internal audit carried out are, in all material aspect, in accordance with the International Professional Practices Framework ("IPPF") established by the Institute of Internal Auditors Global ("IIA").
- 5.21 Evaluate the performance of the internal audit function annually and make recommendation to the Board on the appointment, replacement or dismissal of the Internal Auditors.
- 5.22 Take note of the resignations of the Internal Auditors and provide them an opportunity to submit the reason for resigning.

### **Related Party Transactions**

- 5.23 Establish a Review and Disclosure Procedure for related party transactions (“**RPT**”) to monitor, track and identify RPT in a timely and orderly manner and ensure that the procedure established are complied with.
- 5.24 Review RPT and conflict of interests situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- 5.25 Review and deliberate on the nature of transaction and ensure all RPT and recurrent RPT are properly disclosed and approved by shareholders in accordance with the Companies Act 2016 and the Listing Requirements of Bursa Securities (“**Listing Requirements**”).

### **Others**

- 5.26 Exercise its powers and carry out its responsibilities as may be required from time to time under the Whistle Blowing Policy for the Group.
- 5.27 Carry out any other function that may be mutually agreed upon by the Audit Committee and the Board.

## **6. REPORTING RESPONSIBILITIES**

- 6.1 The Chairman of the Audit Committee shall report and bring forward the Audit Committee’s recommendation on matters that need to be brought to the Board’s attention, for decision making and/or approval at the Board meeting.
- 6.2 Where the Audit Committee is of the view that a matter reported to the Board of Directors has not been satisfactorily resolved and resulted in a breach of the Listing Requirements, the Audit Committee must promptly report such matter to Bursa Securities <sup>11</sup> .
- 6.3 At the end of each financial year, the Audit Committee shall prepare and table to the Board an Audit Committee Report that complies with the Listing Requirements for inclusion in the Company’s Annual Report.

## **7. REVIEW**

- 7.1 The Audit Committee shall review this Audit Committee Charter and recommend to the Board for approval any amendments, revisions and updates so as to be in line with changes to the relevant laws, prevailing corporate governance, best practices or other regulatory requirements.



Notes

Code : Malaysian Code on Corporate Governance  
LR : Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Paragraph 15.09 of the LR.
2. Practice 1.4 of the Code.
3. Practice 9.2 of the Code.
4. Paragraph 15.19 of the LR.
- 4A Practice 9.5 of the Code.
5. Paragraph 15.20 of the LR.
6. Paragraph 15.10 of the LR.
- 6A Practice 9.1 of the Code.
7. Paragraph 15.18 of the LR.
8. Paragraph 15.13 of the LR.
9. Paragraph 15.17(f) of the LR.
10. Guidance 9.3 of the Code.
- 11 Paragraph 15.16 of the LR.