

PTT SYNERGY GROUP BERHAD

TERMS OF REFERENCE OF AUDIT COMMITTEE

1. Objectives

The principal objective of the Audit Committee ("**AC**") is to provide assistance to the Board of Directors ("**Board**") in discharging its statutory and fiduciary duties and responsibilities relating to the system of internal control, financial reporting process and evaluation of the internal and external audit processes, compliance and risk management of PTT Synergy Group Berhad ("**the Company**") and its subsidiaries ("**the Group**"). In addition, the AC shall: -

- (a) evaluate the quality of the audits performed by the Internal and External Auditors;
- (b) provide assurance that the financial information presented by the Management is relevant, reliable, and timely;
- (c) oversee compliance with laws and regulations and observance of a proper code of conduct;
- (d) ensure the financial statements comply with applicable financial reporting standards;
- (e) determine the quality, adequacy, and effectiveness of the Group's control environment; and
- (f) assess and monitor the key business risks to safeguard the shareholders' investments and the Group's assets.

2. Composition

The Board shall elect the AC members from amongst their members, who fulfills the following requirements: -

- (a) The AC must be composed of no fewer than three (3) members. In the event of any vacancy in the AC resulting in the non-compliance of the above, the Company must fill the vacancy within three (3) months;
- (b) All the AC members must be Non-Executive Directors, with a majority of them being Independent Directors;
- (c) All the AC members must be financially literate, with at least one (1) member shall be a member of the Malaysian Institute of Accountants or if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years of working experience and:-
 - he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
 - 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
 - fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

PTT SYNERGY GROUP BERHAD

TERMS OF REFERENCE OF AUDIT COMMITTEE

- (d) No Alternate Director shall be appointed as an AC member.
- (e) An audit partner [#] who has served the Group is required to observe a cooling-off period of at least three (3) years before being appointed as an AC member.
- (f) All the AC members should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices, and rules.

3. Chairman

The AC Chairman shall be an Independent Non-Executive Director appointed by the Board from amongst the AC members. The AC Chairman shall not be a Chairman of the Board.

The AC Chairman shall chair all AC meetings but in the absence of the Chairman during the meeting, the other AC members shall elect from amongst themselves who must be an Independent Director to chair the meeting.

The AC Chairman, together with other members of the AC, should ensure, amongst others, that: -

- (a) the AC is fully informed about significant matters related to the Group's audit and its financial statements and addresses these matters;
- (b) the AC appropriately communicates its insights, views, and concerns about relevant transactions and events to Internal and External Auditors;
- (c) the AC's concerns on matters that may affect the Group's financial or audit are communicated to the External Auditors; and
- (d) there is coordination between Internal and External Auditors.

4. Quorum

A quorum shall consist of two (2) members.

5. Terms of Office

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

6. Secretary(ies)

The Secretary(ies) of the AC shall be the Company Secretary(ies).

[#] This applies to all former partners of the external audit firm and/or the affiliate firm (including those providing advisory services, tax consulting and etc.).

PTT SYNERGY GROUP BERHAD

TERMS OF REFERENCE OF AUDIT COMMITTEE

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 AC.

7. Conduct Of Meetings

- (a) The AC shall meet at least four (4) times in each financial year, with additional meetings may be called at any time, at the discretion of the Chairman or any other member of the AC.
- (b) Reasonable notice period for convening the meeting of the AC shall be given, and may be waived with the consent of all members of the AC.
- (c) Upon the request of the Internal Auditors and/or External Auditors, the AC Chairman shall also convene an AC meeting to consider any matter the Internal and/or External Auditors believe should be brought to the attention of the AC.
- (d) The AC must be able to convene meetings with External Auditors without the presence of the executive board members and management at least once a year and whenever deemed necessary.
- (e) The AC may meet together for the despatch of business, adjourn, and otherwise regulate their meetings as they think fit 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 AC 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. All resolutions agreed by the AC members in such meeting shall be deemed effective as a resolution passed at a meeting in person of the members duly convened and held.
- (f) The AC Chairman shall engage on a continuous basis with the Executive Directors, Chief Financial Officer, Internal Auditors and External Auditors in order to be kept informed of matters affecting the Group.
- (g) The Executive Directors and other officers may be invited to attend where their presence are considered appropriate as determined by the AC Chairman.
- (h) Resolutions, proposals, and matters tabled for approval at any AC meeting shall be decided by a simple majority of the members present. In the case of equality of votes, the AC Chairman shall have a second or casting vote. Recommendations by the AC are to be submitted to the Board for approval.

PTT SYNERGY GROUP BERHAD

TERMS OF REFERENCE OF AUDIT COMMITTEE

8. Minutes

Minutes of each AC meeting shall be circulated to all AC members and the other Board members and kept at the registered office.

The AC meeting's minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

9. Circular Resolutions

A resolution in writing signed by a majority of the AC members for the time being, shall be as valid and effectual as if it had been passed at an AC meeting duly called and constituted.

Any such resolution may consist of several documents in like form, each signed by one (1) or more AC members. Any such document may be accepted as sufficiently signed by an AC member if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature of an AC member.

10. Reporting

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

The AC shall report to the Board on any specific matters referred to it by the Board.

11. Authority

The AC shall, wherever necessary and reasonable for the Company to perform its duties, in accordance with a procedure to be determined by the Board and at the cost of the Company: -

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information and documents/resources required to perform its duties and to the Internal and External Auditors and Senior Management of the Company and the Group;
- (d) have direct communication channels with the employees of the Company, the External Auditors and person(s) carrying out the internal audit function or activity (if any);
- (e) be able to obtain independent professional or other advice, and invite outsiders with relevant experience and expertise to attend, if necessary; and
- (f) where the AC is of the view that the matter reported by it to the Board has not

PTT SYNERGY GROUP BERHAD

TERMS OF REFERENCE OF AUDIT COMMITTEE

been satisfactorily resolved, resulting in a breach of the Listing Requirements, the AC shall promptly report such matter to Bursa Malaysia Securities Berhad.

12. Duties and Responsibilities

The duties and responsibilities of the AC are as follows: -

- (a) Review the following and report the same to the Board:
 - (i) with the External Auditors, the audit plan;
 - (ii) with the External Auditors, the evaluation of the system of internal controls;
 - (iii) with the External Auditors, the audit report;
 - (iv) the assistance given by the Company's employees to the External Auditors; and
 - (v) any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (b) To consider the appointment and/or re-appointment of the External Auditors, the audit fee and any questions of resignation or dismissal;
- (c) To discuss with the External Auditors, the audit plan before the audit commences, nature and scope of the audit, and ensure co-ordination where more than one (1) audit firm is involved;
- (d) To review the quarterly reports on a consolidated basis and year-end financial statements of the Group, before submission to the Board, focusing particularly on: -
 - any changes 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.
- (e) To annually assess the External Auditors' suitability, objectivity, and independence 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;
- (f) To discuss problems and reservations arising from the interim and final audits, and any matter the External Auditors may wish to discuss (in the absence of the Management where necessary);
- (g) To review the External Auditors' management letter and recommendations, and

PTT SYNERGY GROUP BERHAD

TERMS OF REFERENCE OF AUDIT COMMITTEE

the Management's response;

- (h) To establish, review and approve policies governing the circumstances under which contracts for the provisions of non-audit services can be entered into and procedures that must be adhered by the External Auditors and/or their affiliates in the provision of such services.
- (i) To approve the non-audit services provided by the External Auditors and/or their affiliates.
- (j) To assist the Board in establishing an internal audit function which is independent of the activities it audits and to do the following: -
 - 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 and necessary corrective actions are taken on the recommendations of the internal audit function;
 - review the internal audit reports, results and findings of the internal audit assessments, fraud investigations undertaken, and whether the Management has taken any appropriate actions and steps in response to the recommendations of the internal audit functions;
 - review any appraisal or undertake assessment of the performance of the Internal Auditors or members of the internal audit function;
 - approve any appointment or termination of the Internal Auditors or senior members of the internal audit function, and audit fees;
 - take cognisance of resignations of internal audit staff members (for in-house internal audit function) or the internal audit service provider (for outsourced internal audit) and provide the resigning staff member or the internal audit service provider an opportunity to submit his reasons for resigning; and
 - include in the AC report, a summary of the activities of the internal audit function or activity;
- (k) To monitor the integrity of the Company's financial statements;
- (l) To report its findings on the financial and management performance and other material matters to the Board;
- (m) To review the adequacy and effectiveness of risk management, internal control, and governance systems relating to the accounting and reporting practices of the Company;
- (n) To verify the allocation of employees' share option scheme ("**ESOS**")/ share issuance scheme ("**SIS**") in compliance with the criteria as stipulated in the by-laws of ESOS/ SIS of the Company, if any, at the end of the financial year;

PTT SYNERGY GROUP BERHAD

TERMS OF REFERENCE OF AUDIT COMMITTEE

- (o) To identify and monitor the principal risks and ensure the implementation of appropriate internal controls and mitigation measures.
- (p) To consider the major findings of internal investigations and the Management's response; and
- (q) To consider other areas as defined by the Board.
- (r) Where the AC is of the view that a matter reported by it to the Board has not been satisfactorily resolved, resulting in a breach of Bursa Malaysia Securities Berhad's requirements, the AC must promptly report such matter to Bursa Malaysia Securities Berhad.

13. Review of the Terms of Reference

The AC will review this Terms of Reference regularly to ensure that it continues to remain relevant and appropriate.

14. Effective date

This Terms of Reference is effective on 12 October 2022.