

# **POH HUAT RESOURCES HOLDINGS BHD**

## **AUDIT COMMITTEE CHARTER**

---

### **Objectives**

The primary objective of the Committee is to assist the Board in fulfilling their responsibilities in matters relating to financial accounting and control and ensure good practices are adopted in the review and disclosure of the affairs of the Company and of the Group.

The Committee shall also provide the necessary independent and neutral avenue for reporting and feedback between the internal and external auditors and the Board of the Company and of its subsidiaries. Specifically, the Committee will:-

1. oversee and appraise the quality of the audits conducted by the Company's external auditors and where applicable, the internal auditors in order to strengthen the confidence of the shareholders and public in the Group's reported results;
2. maintain, by scheduling regular meetings, open line communication amongst the Board members, external auditors and where applicable, internal auditors to exchange views and information as well as confirm their respective authority and responsibilities; and
3. provide assistance to the Board in fulfilling their fiduciary duties and responsibilities relating to the conduct of the business and affairs of the Group.

### **Composition**

The members of the Committee shall be appointed by the Board from amongst their members and shall comprise no fewer than three (3) members. All the Audit committee members must be non-executive directors of which a majority shall be independent directors.

All members of the Committee shall be financially literate and at least one member of the Committee must fulfill the Paragraph 15.09(c) of the Bursa Securities Main Market Listing Requirements.

The members of the Committee shall elect a Chairman from among their number who is an independent director. The Chairman elected shall be subjected to endorsement by the Board.

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

# **POH HUAT RESOURCES HOLDINGS BHD**

## **AUDIT COMMITTEE CHARTER**

---

### **Meetings**

The Committee will meet at least once a quarter and such additional meetings as may be required for the Committee to fulfill its duties. In addition, the Chairman of the Committee may call a meeting of the Committee if a request is made by any Committee member, the Company's Managing Director, the external auditors or where applicable, the internal auditors.

At all meetings of the Committee, the Chairman of the Committee, if present, shall preside. If the Chairman of the Committee is absent, the members present at the meeting shall elect a Chairman for the meeting. The Chairman appoint the company secretary to record the proceedings of all meetings and administration of the affairs of the Committee.

A quorum shall consist of a majority of the members of the Committee. No business shall be transacted at any meeting unless a quorum is present.

### **Authority**

The Committee is authorized to request any relevant information and seek the assistance of any employees of the Group in procuring the same on matters within its term of reference. All employees of the Group are directed to co-operate with any request by the Committee.

The Committee shall have unrestricted access to the external auditors and the internal auditors as well as the management of the Group. The Audit Committee shall be empowered to retain external experts and/or person having special competence as necessary to assist the Committee in fulfilling its responsibilities.

### **Duties and Responsibilities**

The duties and responsibilities of the Committee shall include, but not limited, to the following:-

1. To consider and recommend the appointment, remuneration and resignation of the external and internal auditors.
2. To oversee matters pertaining to the external audit including the review of the audit scope and plans, the external auditors' evaluation of the internal control system and their audit report;

# POH HUAT RESOURCES HOLDINGS BHD

## AUDIT COMMITTEE CHARTER

---

### **Duties and Responsibilities**

3. To review the internal audit functions as follows:
  - c) scope and adequacy of the internal audit procedures;
  - d) findings and recommendation of the internal audit report;
  - e) approve and monitor the remedial or corrective action taken;
  - f) the competency of the internal audit function; and
  - g) level of assistance and co-operation provided by the employees to the internal audit functions.
4. To review the requisite interim and annual financial statements and reports of the Group, to discuss matters and findings arising from the review with the Board and where necessary, the external auditors and to recommend to the Board the announcement/publication of the financial statements on a timely manner;
5. To identify and direct any special project or investigate and report on any matters, issues or concerns that may be agreed to by the Committee and the Board; and
6. To review any related party transactions that may arise within the Company or the Group.

### **Modification**

The terms and provisions herein contained are subject to such revisions by way of modification, additions or otherwise as the Board from time to time may consider fit.

### **Approval**

The charter was revised and approved by the Board of Director on 22 March 2016.