

**MYTECH GROUP BERHAD**  
[Company No: 198401001418 (113939-U)]  
Incorporated in Malaysia

**TERMS OF REFERENCE OF AUDIT COMMITTEE**

**Objective**

The objective of the Audit Committee is to assist the Board of MyTech Group Berhad (“MyTech” or “Company”) in fulfilling its fiduciary duties and responsibilities for the accounting and internal control systems, the financial reporting procedures, the audit process, risk management and compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

**Composition**

The Board from among its members shall appoint the Audit Committee that fulfils the following requirements:-

1. The audit committee must be composed of no fewer than 3 members.
2. All the Audit Committee members must be non-executive directors, with a majority of the Audit Committee members must be independent directors.
3. At least one member of the audit committee –
  - (i) must be a member of the Malaysian Institute of Accountants; or
  - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years’ working experience and –
    - (aa) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
    - (bb) he must be a member of one of the associations of accountants

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- (iii) fulfils such other requirement as prescribed by the Exchange.
4. The members of the Committee shall elect a Chairman among themselves who is an Independent Director of MyTech.
  5. If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below 3, the Board of Directors shall, within 3 months of that event, appoint such number of new member as may be required to make up the minimum number of 3 members.
  6. A former key audit partner should observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.
  7. No alternate director is appointed as a member of the Audit Committee.
  8. The Chairman of the Board should not be a member of the Audit Committee.
  9. The chairman of the Audit Committee is not the Chairman of the Board of MyTech.

**Authority**

The Audit Committee shall :-

- (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 pertaining to the Group's affairs and operation;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity
- (e) be able to obtain independent professional or other advice; and
- (f) be able to convene meetings with the external auditors, the person(s) carrying out the internal audit function or activity or both, excluding the attendance of other directors and employees of the listed issuer, whenever deemed necessary.

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**Duties and Responsibilities**

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

1. To recommend the nomination of a person or persons as external and internal auditors and review any letter of resignation from external auditor and internal auditor;
2. To review with the external auditors, the audit plan and audit report;
3. To review with the external auditors regarding their evaluation on the system of internal controls;
4. To review and recommend the re-appointment of the external auditors, on their suitability, independence and capability in discharging their professional duties.
5. To review the assistance extended by the employees to both the external and internal auditors;
6. To review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
7. To review the internal audit plan programme, processes, the results of the internal audit programme, processes, assessment or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
8. To determine the group's level of risk tolerance and actively identify, assess and monitor key issues to safeguard shareholders;
9. To articulate, implement and review the internal control framework;
10. To review the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:

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- a. changes in or implementation of major accounting policy changes;
  - b. 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
  - c. compliance with accounting standards and other legal requirements;
11. To review any related party transaction, conflict of interest (“COI”) and potential COI situation that arises, persists or may arise within MyTech or its group of companies including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate or mitigate such conflicts; and
  12. To review any letter of resignation and reason from the external auditors;
  13. To review whether there is reason (supported by grounds) to believe that the Company’s external auditor is not suitable for re-appointment.
  14. To assess the suitability, objectivity and independence of the external auditors annually.
  15. In assessing the suitability, objectivity and independence of the external auditor, the Audit Committee establishes policies and procedures that consider among others:-
    - the competence, audit quality and resource capacity of the external auditor in relation to the audit;
    - the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and
    - 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.
  16. To review the allocation of Employee Share Option Scheme, at least once a year, if any.

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17. To carry out such other responsibilities, functions or assignments, as may be defined jointly by the Audit Committee and the Board of Directors from time to time.

**MEETINGS**

Meetings shall be held quarterly or as and when the Audit Committee deems necessary.

A minimum of two members present shall form a quorum, the majority of members present shall be Independent Non-Executive Directors. In the event that the Chairman is unable to attend a meeting, a member of the Audit Committee shall be nominated as Chairman of the meeting.

The Committee may invite other directors and employees to the meeting to brief the Audit Committee on issues that are incorporated into agenda.

**CONTINUOUS PROFESSIONAL DEVELOPMENT**

1. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.
2. The Audit Committee members should possess a wide range of necessary skills to discharge its duties and are expected to be financially literate and have sufficient understanding of the Group's business. This would enable them to continuously apply a critical and probing view on the Group's financial reporting process, transactions and other financial information, and effectively challenge management's assertions on matters in relate to the Group's financials.
3. 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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**CIRCULAR RESOLUTION**

A resolution in writing, signed by a majority / all of the Committee members being entitled to received notice of a meeting of the Committee, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

The circular resolution may consist of several documents in like form, each signed by one or more Committee member.

**REVIEW OF THE TERMS OF REFERENCE**

The Terms of Reference shall be reviewed periodically or as and when required.

All amendments to the Terms of Reference shall be approved by the Board and is made available on the Company's website, [www.mytechgroup.com.my](http://www.mytechgroup.com.my).