

WIDETECH (MALAYSIA) BERHAD
(Company No. 113939-U)
Incorporated in Malaysia

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Objective

The objective of the Audit Committee is to assist the Board in fulfilling its responsibilities for the accounting and internal control systems, the financial reporting procedures, the audit process and compliance with listing requirements.

Composition

The Board shall elect a Committee from amongst themselves, comprising at least 3 Directors where all the Committee members must be Non-Executive Directors, with a majority of whom must be Independent Directors and at least 1 member shall be a member of the Malaysian Institute of Accountants or possess such other qualifications and/or experience as approved by the Bursa Malaysia Securities Berhad (“Bursa Securities”).

Meetings

The Audit Committee shall meet at least four (4) times in each financial year. The quorum for a meeting shall be two (2) members, provided that the majority of members present shall be Independent Directors.

The Audit Committee may call for a meeting as and when required with reasonable notice as the Committee Members deem fit.

Other Directors who are not members of the Committee and employees may attend any particular Committee Meeting upon the Audit Committee’s invitation.

The internal auditors and external auditors may appear at any meeting at the invitation of the Audit Committee and shall appear before the Audit Committee when required to do so by the Audit Committee. The internal auditors and external auditors may also request a meeting if they consider it necessary.

Key Functions and Responsibilities

The key functions and responsibilities of the Audit Committee are as follows:

- (a) To review with the external auditors, the audit plan, the scope of audit and their audit report;
- (b) To review the quarterly results and annual financial statements of the Group prior to submission to the Board of Directors;
- (c) To review with management:
 - audit reports and management letter issued by the External Auditors and the implementation of audit recommendations
 - quarterly financial information
 - the assistance given by the officers of the Company to the External Auditors
- (d) To review the effectiveness and adequacy of the scope, competency, nature and resources of the internal audit functions and the system of internal control within the Group;
- (e) To review the internal audit programme, processes, results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- (f) To review any related party transaction and conflict of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (g) To consider the appointment of internal and external auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as auditors; and
- (h) To carry out other functions as may be agreed by the Audit Committee and Board of Directors from time to time.

Rights

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Audit Committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary.

The Audit Committee is also authorised to convene meetings with the Internal Auditors and External Auditors, excluding the attendance of other directors and employees of the Group, whenever deemed necessary.