



(197901003695) (47908-K)

("Company" or "Tropicana")

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1.0 Constitution

The Audit Committee ("**AC**") is established as a committee of the Board of Directors of Tropicana ("**the Board**") and its group of companies ("**Tropicana Group**" or "**the Group**"), who authorises the terms of reference ("**TOR**") of the AC.

2.0 Composition

- 2.1 The AC must be appointed by the Board from amongst the Directors and must consist of no fewer than three (3) members.
 - 2.2 All the AC members must be Non-Executive Directors, with a majority of them being Independent Directors as defined in Chapter 1 of the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").
 - 2.3 The Chairman of the AC shall be appointed by Board. In his absence, the AC members present may elect from among themselves the Chairman for their meetings. The Chairman of the AC shall not be the Chairman of the Board.
 - 2.4 All members of the AC should be financially literate and have the ability to understand matters under the purview of the AC including the financial reporting process. At least one member of the AC must be a member of the Malaysian Institute of Accountants or fulfills such other requirements as prescribed or approved by Bursa Securities.
 - 2.5 No alternate director shall be appointed as a member of the AC.
 - 2.6 No former key audit partner shall be appointed as a member of the AC before observing a cooling-off period of at least three (3) years. This applies to all former partners of the audit firm or the affiliate firm or both (including but not limited to those providing advisory services and tax consulting).
 - 2.7 The terms of office and performance of the AC and each of its members shall be reviewed annually by the Nomination Committee to determine whether the AC members have carried out their duties in accordance with its TOR.
 - 2.8 In the event of any vacancy in the AC resulting in the non-compliance of paragraphs 2.1, 2.2 or 2.4 above, the Board shall fill the vacancy within three (3) months.
 - 2.9 All members of the AC to undertake continuous professional development training to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.
- ### 3.0 Authority
- 3.1 The AC is authorised to investigate any matter within its TOR and to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the AC.
 - 3.2 The AC shall have the resources which are required to perform its duties and shall have full and unrestricted access to any information pertaining to Tropicana or the Group.

- 3.3 The AC is authorised to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, if necessary.
- 3.4 The AC shall have direct communication channels with both the internal and external auditors and is able to convene meetings with the internal and external auditors, excluding the attendance of the management, whenever deemed necessary.
- 3.5 The AC makes no decision on behalf of the Board but makes recommendations to the Board.
- 3.6 A member of the AC shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to a situation of an actual or perceived conflict of interest for the member concerned. Where this causes insufficient members to make up a quorum, the Board has the right to appoint another member of the Company, which meets the membership criteria.

4.0 Functions and Duties

The AC is to assist and support the Board in fulfilling its fiduciary responsibilities relating to the Group's financial reporting practices, accounting policies, internal controls, business ethics policies and the independence of the Group's external and internal auditors. In this respect, the duties of the AC are specified in these TOR of the AC as follows:-

- 4.1 To review the following and report the same to the Board:-
 - 4.1.1 with the external auditor, the audit plan;
 - 4.1.2 with the external auditor, his evaluation of the system of internal controls;
 - 4.1.3 with the external auditor, the audit reports, the external auditors' management letter, Audit Transparency Report (if the Securities Commission Malaysia's prescribed criteria are met) and management's response;
 - 4.1.4 to discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure coordination where more than one audit firm is involved;
 - 4.1.5 the assistance given by the Company's employees to the external auditor;
 - 4.1.6 the quarterly results and year-end financial statements prior to the approval by the Board, focusing particularly on:-
 - (a) changes in accounting policies and practices and its implementation;
 - (b) significant adjustments arising from the audit;
 - (c) compliance with accounting standards and other statutory and legal requirements;
 - (d) the going concern assumption; and
 - (e) significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events of transactions and how these matters are addressed;
 - 4.1.7 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 raised questions of management integrity.
- 4.2 To review and recommend to the Board matters concerning the appointment and re-appointment of external auditors, the audit and non-audit fees, and any questions of resignation or dismissal of external auditors.

- 4.3 To assess the suitability, objectivity and independence of external auditors on annual basis in relation to:-
- (a) the competence, audit quality and resource capacity of the external auditors in relation to the audit;
 - (b) the nature and extent of the non-audit services rendered and appropriateness of the level of fees to ensure that there are proper checks and balances in place so that the provision of non-audit services does not interfere with the exercise of independent judgment of the external auditors; and
 - (c) 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.

The above assessment should also consider information presented in the Annual Transparency Report of the audit firm of the external auditors. If the audit firm is not required to issue an Annual Transparency Report, the AC is encouraged to engage the external auditors on matters typically covered in an Annual Transparency Report including the audit firm's governance and leadership structure as well as measures undertaken by the audit firm to uphold audit quality and manage risks.

- 4.4 To prepare the AC Report for inclusion in the Company's Annual Report at the end of each financial year.
- 4.5 To discuss all other problems and reservation arising from the interim and final external audits and any matters the external auditors may wish to discuss in the absence of management and/or executive board members, where necessary.
- 4.6 To promptly report to Bursa Securities 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 the Listing Requirements of Bursa Securities.
- 4.7 To do the following in relation to the internal audit function:-
- 4.7.1 ensure the internal audit personnel are free from any relationships or conflict of interest, which could impair their objectivity and independence to carry out his/her functions effectively;
 - 4.7.2 review of 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;
 - 4.7.3 review the internal audit programs, processes, the result of the internal audit programs, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations on the internal audit function;
 - 4.7.4 review and approve any appointment, termination, appraisal and assessment of the members of the internal audit function; and
 - 4.7.5 take cognisance of resignation of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reason for resigning.
- 4.8 To consider the major findings of internal investigations and management's responses;
- 4.9 To consider other related matters as defined by the Board.

5.0 Chairman

The Chairman of the AC shall engage on a continuous basis with the senior management, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Board of Directors and shareholders of the Company.

6.0 Secretary

The Company Secretary of the Company shall be the Secretary of the AC or his/her nominee shall be the Secretary of the AC.

7.0 Meeting Procedures

7.1 Frequency and calling

The AC shall meet at least four (4) times a year on a quarterly basis and the Chief Financial Officer, the Head of Internal Audit should normally attend the meetings. Representative of the external auditors and other board members may attend meetings upon the invitation of the AC.

Additional meetings may be called at any time at the AC Chairman's discretion. The Chairman is also required to call for a meeting of the AC, if requested to do so by any AC members or the Board of Directors.

7.2 Notice

The notice period convening the meeting of the AC shall be at least seven (7) days, which may be waived with the consent of the majority of the members of the AC.

7.3 Quorum

The quorum of the meeting shall be a majority of members present being Independent Directors.

7.4 Recommendation to the Board

Recommendation to the Board during AC meetings must be supported by a majority of the AC members, who are not interested in the transaction.

In the case of an equality of votes, the Chairman of the committee meeting shall have a second or casting vote.

7.5 Participation in meetings by conferencing

All or any members of the AC may participate in a meeting of the AC by means of a telephone conference, video conference or any communication technology, which allows all members of the AC participating in the meeting to communicate simultaneously with each other. A member of the AC 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. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or if there is no such group, the meeting shall be deemed held at the registered office of the Company.

7.6 Private sessions with the external auditors

The AC shall meet with the external auditors, the internal auditors or both, without the other Executive Directors and employees of the Company or the Group at least twice a year and whenever deemed necessary.

8.0 Written Resolutions in Circulation

A resolution in writing signed or approved by letter, telegram, telex, telefax or other written electronic communications by the majority of the members of the AC, shall be as valid and effectual as if it had been passed at a meeting of the AC duly called and constituted. All such resolutions shall be described as "Audit Committee's Written Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more AC member(s).

9.0 Review of the Terms of Reference

The AC shall recommend any change to its TOR in such manner as the AC deems appropriate to the Board for approval. The TOR shall be assessed, reviewed and updated where necessary.

10.0 Dissolution

The AC shall be dissolved upon recommendation and decision of the Board in line with new developments and guidelines concerning Corporate Governance practices as issued by relevant regulatory authorities.

Revision wef: Board of Directors' meeting held on 30 March 2012
Revision wef: Board of Directors' meeting held on 9 May 2014
Revision wef: Board of Directors' meeting held on 19 February 2016
Revision wef: Board of Directors' meeting held on 23 August 2018
Revision wef: Board of Directors' meeting held on 19 November 2020
Revision wef: Board of Directors' meeting held on 21 April 2022