

# **MYNEWS HOLDINGS BERHAD**

(Company No. 1039846-T)

## **TERMS OF REFERENCE**

### **AUDIT COMMITTEE**

[Reviewed in June 2019]

## **TERMS OF REFERENCE**

Name of Committee	:	Audit Committee of Mynews Holdings Berhad (formerly known as Bison Consolidated Berhad) ( <b>"Audit Committee"</b> )
Applicable laws / Guidelines	:	The Main Market Listing Requirements ( <b>"MMLR"</b> ) issued by Bursa Malaysia Securities Berhad ( <b>"Bursa Securities"</b> ) including but not limited to the Capital Markets and Services Act 2007, the Companies Act 2016, the Malaysian Code on Corporate Governance 2017 issued by the Securities Commission, Rules of Bursa Malaysia Depository Sdn Bhd, where applicable, and the provisions of the Constitution of Mynews Holdings Berhad (the <b>"Company"</b> ).
Objectives / Principles	:	<p>The principal objective of the Audit Committee is to assist the Board of Directors of the Company (<b>"Board"</b>) in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the Company and its subsidiaries (<b>"Group"</b>). In addition, the Audit Committee shall:</p> <ol style="list-style-type: none"> <li>1. evaluate the quality of the audit conducted by the internal and external auditors;</li> <li>2. oversee and ensure the integrity of the financial reporting of the Group;</li> <li>3. provide assurance that the financial information presented by management is relevant, reliable and timely;</li> <li>4. assess whether the financial reporting of the Group and the Company presents a true and fair view of the Group's and the Company's financial position and performance/results;</li> <li>5. oversee compliance with laws and regulations and observance of a proper code of conduct including all applicable legal and financial reporting requirements and accounting standards;</li> <li>6. determine the adequacy of the Group's control environment; and</li> <li>7. review and evaluate any related party transactions and conflict of interest situations.</li> </ol>
Role and Responsibilities	:	<ol style="list-style-type: none"> <li>1. To review the nomination, appointment or re-appointment and performance of the external auditor, the audit fees and any questions of resignation or dismissal of the external auditor before making recommendations to the Board.</li> </ol>

		<ol style="list-style-type: none"> <li>2. To consider if there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment;</li> <li>3. To put in place the policies and procedures to assess the suitability and independence of the external auditor;</li> <li>4. To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;</li> <li>5. To provide a line of communication between the Board and the external auditor;</li> <li>6. To review the quarterly and year-end financial statements of the Group and Company, before the approval by the Board, focusing particularly on: <ol style="list-style-type: none"> <li>i. any changes in or implementation of major accounting policy and practice and its effect thereon to the Company's and/or the Group's financial position/performance/results;</li> <li>ii. significant adjustments arising from the audit;</li> <li>iii. litigation that could affect the financial position/performance and/or results materially;</li> <li>iv. significant and unusual events;</li> <li>v. the going concern assumption;</li> <li>vi. compliance with applicable accounting standards and other relevant legal requirements; and</li> <li>vii. ensuring the timely release of such financial statements.</li> </ol> </li> <li>7. To discuss recommendations, problems and reservations arising from the interim and final audits, and any matter the external auditor may wish to discuss (in the absence of management where necessary) including the audit report, audit plan and the level of assistance given by the employees of the Company to the external auditor;</li> <li>8. To review the external auditor's management letter and management's response in evaluating the Company's and the Group's system of internal control and to consider and implement any remedial</li> </ol>
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		<p>actions required to rectify such reported weaknesses;</p> <p>9. To do the following, in relation to the internal audit function:</p> <ul style="list-style-type: none"> <li>i. mandate the internal audit function to report directly to the Audit Committee;</li> <li>ii. review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary independence and authority to carry out its work, which should be performed professionally and with impartiality and proficiency;</li> <li>iii. review the internal audit programme, processes and results of the internal audit programme, processes or investigation undertaken and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit functions;</li> <li>iv. review any appraisal or assessment of the performance of members of the internal audit function;</li> <li>v. approve any appointment or termination of senior staff members of the internal audit function; and</li> <li>vi. take cognisance of resignations of internal audit staff and provide the staff an opportunity to submit reasons for resigning.</li> </ul> <p>10. Review and monitor the adequacy and integrity of the Company's system of internal controls and management information systems, including systems to ensure compliance with applicable laws, regulations, rules, directives and guidelines;</p> <p>11. Review and monitor the Company's and the Group's finance functions in respect of the adequacy and sufficiency of human resource, technology and infrastructure to support the financial recording and reporting process to ensure accurate, complete, consistent and timely financial reporting.</p> <p>12. To consider and evaluate any related party transactions or conflict of interest situations that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity. In</p>
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		<p>considering such related party transactions, the financial reality of such transactions and whether they have been entered into under normal commercial terms, according to terms stipulated in shareholders' mandate or in the best interest of the Company have to be taken into account;</p> <p>13. To consider and determine with the management an agreed upon reporting structure and schedules covering financial and non-financial information;</p> <p>14. To report its findings on the financial performance and other material matters related to financial performance to the Board;</p> <p>15. To ensure the financial statements are prepared in accordance to the applicable financial reporting standard;</p> <p>16. To consider the major findings of internal audit and other financial investigations and management's response;</p> <p>17. To review and recommend for the Board's approval, the provision of non-audit service by the External Auditor and 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 judgement of the External Auditor.</p> <p>18. To review the Company's procedures for detecting fraud and whistle blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters;</p> <p>19. To consider any other matters as directed by the Board; and</p> <p>20. To consider and examine such other matters as the Audit Committee considers appropriate.</p>
Authority and Powers	:	<p>In carrying out its duties, an Audit Committee shall, at the cost of the Company:</p> <ol style="list-style-type: none"> <li>1. have explicit authority to investigate any matter within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Audit Committee;</li> <li>2. have the full and unlimited/unrestricted access to all information and documents/resources in order to perform its duties as set out in terms of reference as</li> </ol>

		<p>well as to the internal and external auditors and senior management of the Company and the Group;</p> <ol style="list-style-type: none"> <li>3. have full, free and unrestricted access to the Group and Company's records, properties, personnel and other resources;</li> <li>4. have full and unrestricted access to any information regarding the Group and Company;</li> <li>5. have direct communication channels with the external auditor and person(s) carrying out the internal audit function or activity;</li> <li>6. be able to obtain external legal or other independent professional or other advice or other necessary resources to perform its duties and to secure the attendance of outsiders with relevant experience and expertise to provide advice if it considers necessary; and</li> <li>7. be able to convene meetings with the external auditor, internal auditors or both, and any external professionals / experts, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.</li> </ol> <p>Notwithstanding anything contrary hereinbefore stated, the Audit Committee does not have executive powers and shall report to the Board on matters considered and its recommendations thereon, pertaining to the Company and the Group.</p>
Members	:	<ol style="list-style-type: none"> <li>1. The Audit Committee shall comprise at least three (3) non-executive directors appointed by the Board based on recommendation by the Nominating Committee. All the members of the Audit Committee must be non-executive directors with a majority of independent directors.</li> </ol> <p>In this respect, the Board adopts the definition of "independent director" as defined under the MMLR.</p> <ol style="list-style-type: none"> <li>2. The term of office terminates when a member ceases to be a director. No alternate director can be appointed as a member of the Audit Committee.</li> <li>3. If a member of the Audit Committee resigns, dies or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three (3) months of such member ceasing to be on the Audit Committee appoint such number of new members as may be required to make up the minimum of three (3) members.</li> </ol>

		<p>4. The terms of office and performance of the Audit Committee and each of its members shall be reviewed by the Nominating Committee annually to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.</p> <p>5. All members of the Audit Committee shall be financially literate and at least one (1) member shall:</p> <ul style="list-style-type: none"> <li>i. be a member of the Malaysian Institute of Accountants (“MIA”); or</li> <li>ii. if he/she is not a member of the MIA, he/she must have at least three (3) years’ working experience and: <ul style="list-style-type: none"> <li>(a) he/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or</li> <li>(b) he/she must be a member of one of the association of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or</li> </ul> </li> <li>iii. fulfills such other requirements as prescribed or approved by Bursa Securities.</li> </ul>
Chairman	:	<p>The Chairman of the Audit Committee shall be an independent director appointed by the Board, based on the recommendation of the Nominating Committee.</p> <p>The Chairman of the Audit Committee should assume, amongst others, the following responsibilities:</p> <ul style="list-style-type: none"> <li>i. planning and conducting the Audit Committee meetings;</li> <li>ii. overseeing reporting to the Board;</li> <li>iii. encouraging open discussion during Audit Committee meetings; and</li> <li>iv. developing and maintaining an active on-going dialogue with senior management and both the internal and external auditors.</li> </ul> <p>In the absence of the Chairman of the Audit Committee, the other members of the Audit Committee shall amongst themselves elect a Chairman who must be an independent director to chair the meeting.</p>

Meetings	:	<ol style="list-style-type: none"> <li>1. The Audit Committee shall meet at least four (4) times a year and shall convene such additional meetings as the Chairman shall decide.</li> <li>2. The quorum for an Audit Committee Meeting shall be at least two (2) members (or majority of the members), whichever is higher, where the majority of members present must be independent directors.</li> <li>3. The external auditor has the right to appear and be heard at any meeting of the Audit Committee and shall appear before the Audit Committee when required to do so.</li> <li>4. Upon the request of the external auditor, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditor believes should be brought to the attention of the directors or shareholders.</li> <li>5. The Chief Financial Officer and the Head of Internal Audit of the Company shall normally be invited by the Audit Committee to attend the meetings to assist in the deliberations and resolution of matters raised. However, at least twice a year, the Audit Committee shall meet with the external auditor without the presence of management. Where their expertise is required, the Chairman of the Board, the Chief Executive Officer, the management of the Company or any other external professionals may also be invited to attend the Audit Committee meetings.</li> <li>6. The Chairman of the Audit Committee shall engage on a continuous basis with senior management, such as the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the Head of Internal Audit of the Company and the external auditor to be kept informed of significant matters affecting the Company.</li> <li>7. Questions arising at any meeting of the Audit Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Audit Committee shall have a second or casting vote.</li> <li>8. The Company Secretary shall act as Secretary of the Audit Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.</li> </ol>
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Continuing Education/Training	:	All members of the Audit Committee should seek continuing professional education and/or training to keep abreast of the developments in the area of, including but not limited to financial reporting, regulatory compliance, technology, internal controls, business risk and the implications of significant changes that may affect the Company or the industry that the Company is involved in.
Reporting of breaches to Bursa Securities	:	Where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved, resulting in a breach of the MMLR, the Audit Committee must promptly report such matter to Bursa Securities.

These terms of reference may change from time to time to fulfill such other requirements as prescribed by the Bursa Securities and/or to align the Audit Committee with recommended best practices and proper corporate governance.