

CITAGLOBAL BERHAD
(formerly known as WZ Satu Berhad)
[Registration No. 200401027590 (666098-X)]
(Incorporated in Malaysia)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. Objectives

The principal objectives of the Audit Committee are to assist the Board of Directors in discharging its statutory and fiduciary duties and responsibilities relating to accounting and reporting practices of the Group and the Company. In addition, the Audit Committee shall:-

- (a) evaluate the quality of the audits performed by the internal and external auditors;
- (b) provide assurance that the financial information presented by management is relevant, reliable and timely;
- (c) oversee compliance with laws and regulations and observance of a proper code of conduct; and
- (d) determine the quality, adequacy and effectiveness of the Group and Company's control environment.

2. Composition

Members of the Committee shall be appointed by the Board from amongst the Directors and the Committee shall fulfill the following requirements:-

- a. Membership shall consist of no fewer than three (3) members;
- b. All the members must be Non-Executive Directors, with a majority of them being Independent Directors;

*In this respect, the Board adopts the definition of "independent director" as defined under the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").*

- c. All members of the Audit Committee should be financially literate and at least one (1) member of the Audit Committee must be:-
 - a member of the Malaysian Institute of Accountants ("**MIA**"); or
 - if not a member of the MIA, must have at least three (3) years working experience, and:-
 - i. He/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - ii. He/she must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
 - iii. fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

CITAGLOBAL BERHAD
(formerly known as WZ Satu Berhad)
[Registration No. 200401027590 (666098-X)]
(Incorporated in Malaysia)

(Terms of Reference of the Audit Committee – cont'd)

- The following qualifications are also acceptable:
 - (a) either one of the following qualifications and at least three (3) years' post qualification experience in accounting or finance:
 - i. a degree/masters/doctorate in accounting or finance; or
 - ii. a member of any professional accountancy organisation which has been admitted as a full member of the International Federation of Accountants;
 - or
 - (b) has at least seven (7) years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.
- d. Shall not comprise any alternate director of the Company.
- e. No former key audit partner of the Company's external auditors shall be appointed as a member of the Audit Committee unless the said former key audit partner has observed a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee.
- f. 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.

Retirement and resignation

If a member of the Audit Committee resigns, dies, or for any reason ceases to be a member resulting in non-compliance to the composition criteria as stated in paragraph 2 above, the Board shall within three (3) months of the event appoint such number of the new members as may be required to fill the vacancy.

3. Chairman

The Chairman of the Audit Committee is not a Chairman of the Board. The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an Independent Director.

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 Independent Director to chair the meeting.

In the event of any vacancy in the Chairman of the Audit Committee resulting in non-compliance of the MMLR of Bursa Securities, the election of an independent Chairman of the Audit Committee shall be filled within three (3) months.

CITAGLOBAL BERHAD
(formerly known as WZ Satu Berhad)
[Registration No. 200401027590 (666098-X)]
(Incorporated in Malaysia)

(Terms of Reference of the Audit Committee – cont'd)

4. Secretary(ies)

The Company Secretary(ies) shall be the Secretary(ies) of the Audit Committee and as a reporting procedure, the Minutes shall be circulated to all members of the Board.

5. Review of the Terms of Office

The Nomination and Remuneration Committee of the Company shall review the term of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

6. Meetings

The Audit Committee shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman or any other member of the Audit Committee may call for additional meetings at any time at their discretion.

The Audit Committee members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting and shall be entitled to vote or be counted in a quorum accordingly.

Upon the request of the external auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditors believe should be brought to the attention of the Directors or shareholders.

Notice of Audit Committee meetings shall be given to all the Audit Committee members unless the Audit Committee waives such requirement.

The Audit Committee members shall engage on a continuous basis with Senior Management, such as the Executive Directors and Key Senior Management, the internal auditors and the external auditors in order to be kept informed of matters affecting the Company.

The Executive Directors, Key Senior Management, the internal auditors and representative(s) of the external auditors would attend meetings upon the invitation of the Chairman of the Audit Committee. Other Board members and employees may also attend meetings upon the invitation of the Audit Committee. However, the Audit Committee shall meet with the external auditors, internal auditors or both without executive Board members and other Senior Management present at least once a year and whenever deemed necessary.

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

CITAGLOBAL BERHAD
(formerly known as WZ Satu Berhad)
[Registration No. 200401027590 (666098-X)]
(Incorporated in Malaysia)

(Terms of Reference of the Audit Committee – cont'd)

of votes, the Chairman of the Audit Committee shall have a second or casting vote. An Audit Committee member shall abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

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.

7. Minutes

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Audit Committee and also to the other members of the Board. The Audit Committee Chairman shall report the proceedings of each meeting to the Board.

The minutes of the Audit Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

8. Quorum

The quorum for an Audit Committee meeting shall be the majority of members present whom must be Independent Directors.

9. Circular Resolution

A resolution in writing signed by a majority of the Audit Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Audit Committee duly called and constituted. Any such resolution may consist of several documents in like form, each signed by one (1) or more Audit Committee members. Any such document may be accepted as sufficiently signed by an Audit Committee member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of an Audit Committee member.

10. Reporting

The Audit Committee shall report to the Board of Directors, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least four (4) times a year, but more frequently if it so wishes.

The Audit Committee shall report to the Board of Directors on any specific matters referred to it by the Board for investigation and report.

11. Authority

In discharging its function, the Audit Committee is duly authorised by the Board and at the expense of the Company to:-

CITAGLOBAL BERHAD
(formerly known as WZ Satu Berhad)
[Registration No. 200401027590 (666098-X)]
(Incorporated in Malaysia)

(Terms of Reference of the Audit Committee – cont'd)

- a. have explicit authority to investigate any matter of the Group within its terms of reference. All employees shall be directed to co-operate as requested by members of the Audit Committee;
- b. have the resources which are required to perform its duties;
- c. have full and unrestricted access to any information and documents pertaining to the Company and the Group which are required to perform its duties as well as to the internal and external auditors and Senior Management of the Company and Group;
- d. obtain independent professional or other advice and to secure the attendance of outsiders with relevant experience and expertise to attend any Audit Committee meeting, if it considers necessary;
- e. have direct communication channels with external auditors and person(s) carrying out the internal audit function or activity;
- f. be able to convene meetings with the external auditors, internal auditor or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary; and
- g. report to Bursa Securities if and when the Audit Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities.

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.

12. Duties and Responsibilities

The overall roles and responsibilities of the Audit Committee shall include, the following:-

- i. Oversees financial reporting;
- ii. Reviews conflict of interests and related party transactions;
- iii. Assess the internal control environment;
- iv. Evaluates the internal audit process; and
- v. Evaluate the external audit process.

The details of the roles and responsibilities are further elaborated as follows:

(1) Financial Reporting

To review the quarterly and year-end financial statements of the Company and the Group, prior to approval by the Board, focusing particularly on:-

- i. any changes in accounting policies and practices;

CITAGLOBAL BERHAD
(formerly known as WZ Satu Berhad)
[Registration No. 200401027590 (666098-X)]
(Incorporated in Malaysia)

(Terms of Reference of the Audit Committee – cont'd)

- ii. significant matters highlighted including financial reporting issues, significant judgements made by Management, significant adjustments arising from the audit, significant and unusual events or transactions, and how these matters are addressed; and
- iii. compliance with applicable approved accounting standards and other relevant legal-requirements.

(2) External Audit

- (a) To consider and recommend to the Board for approval from the shareholders, the appointment, re-appointment or removal of the external auditors and their audit fees.
- (b) To review the following:-
 - i. any letter of resignation from the external auditors and the reason(s) of resignation; and
 - ii. whether there is reason (supported by grounds) to believe that the external auditors are not suitable for reappointment.
- (c) To assess the performance, suitability, objectivity and independence of the external auditors on an annual basis.
- (d) To review with the external auditors of the following:-
 - i. the nature and scope of the audit, including the coordination of audit where more than one audit firm is involved;
 - ii. the audit plan prior to the commencement of the annual audit;
 - iii. the assistance given by the employees to the external auditors;
 - iv. the evaluation of the system of internal controls;
 - v. the effectiveness of the management information system, including any improvement suggestions and management's response;
 - vi. the external auditors' audit report; and
 - vii. the external auditors' management letter and management's response thereto.
- (e) To discuss any significant audit findings, reservations and difficulties encountered arising from the interim and final audits, or material internal control weaknesses reported by the external auditors and any matter the external auditors may wish to discuss (in the absence of Management).
- (f) To establish policies governing the circumstances under which contracts for the provision of non-audit services can be entered into and procedures that must be followed by the external auditors.

CITAGLOBAL BERHAD
(formerly known as WZ Satu Berhad)
[Registration No. 200401027590 (666098-X)]
(Incorporated in Malaysia)

(Terms of Reference of the Audit Committee – cont'd)

(3) Internal Audit Function

- (a) To determine the remit of the internal audit function and approve the Internal Audit Charter, which defines the purpose, authority, scope and responsibility of the Internal Audit function of the Group.
- (b) To ensure that the internal audit function is effective and able to function independently.
- (c) To review the adequacy of the scope, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work.
- (d) To assess whether the internal audit function is carried out in accordance with a recognised framework.
- (e) To review the internal audit plans, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate actions are taken by the Management on the recommendations.
- (f) To conduct performance evaluation of the internal audit function.
- (g) To approve any appointment or termination of the internal auditors; and
- (h) To review:-
 - i. any letter of resignation from the internal auditors; and
 - ii. whether there is reason (supported by grounds) to believe that the internal auditors are not suitable for reappointment.

(4) Related Party Transactions

To review and consider any related party transactions and conflict of interest situations that may arise within the Company or Group. This includes any transaction, procedure or course of conduct that raises questions of management integrity.

(5) Other matters

- (a) To prepare an audit committee report at the end of the financial year pursuant to the MMLR.
- (b) To monitor the Company's compliance with relevant laws, regulations and code of conduct relating to the accounting and reporting practices of the Company.
- (c) To consider other topics as defined by the Board.
- (d) To consider and examine such other matters as the Audit Committee considers appropriate.

CITAGLOBAL BERHAD
(formerly known as WZ Satu Berhad)
[Registration No. 200401027590 (666098-X)]
(Incorporated in Malaysia)

(Terms of Reference of the Audit Committee – cont'd)

13. Review of the Terms of Reference

The Terms of Reference shall be reviewed and updated by the Audit Committee on a periodic basis as it deems appropriate for the Board to approve. Such review shall be in line with any regulations that may have an impact on the discharge of the Audit Committee's responsibilities.