

**TASEK CORPORATION BERHAD**  
**(4698-W)**

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE  
TERMS OF REFERENCE

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**Terms of Reference**

- I. The Committee shall consist of at least three Directors, the majority of whom shall be independent. The Chairman of the Committee shall be an independent Director. No alternate director shall be appointed as a member of the Committee. All members shall be non-executive Directors. The composition of the Committee shall fulfil the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as from time to time amended. The Committee shall meet at least four times a year and any two independent Directors present at a meeting shall form a quorum. The Company Secretary shall be the Secretary to the Committee.
- II. The duties of the Committee shall include the following:
- (a) To nominate and recommend for the approval of the Board, a person or persons as external auditor(s) and to review the audit fees and any question of resignation or dismissal.
  - (b) To review and monitor the suitability, objectivity and independence of external auditors annually, including the provision of non-audit services by the external auditors to the Company and its subsidiaries (“the Group”).
  - (c) To discuss with the external auditors before the audit commences, the nature and scope of the audit and audit plan.
  - (d) To assess the performance of the external auditors and make recommendation to the Board on their re-appointment and removal.
  - (e) To review the quarterly and year-end financial statements of the Group, focusing particularly on:-
    - Any change in or implementation of major accounting policies and practices;
    - Reasonableness of significant accounting judgements and estimates;
    - Significant adjustments arising from the audit, changes and unusual events;
    - The going concern assumption; and
    - Compliance with accounting standards and other legal requirements.
  - (f) To review, with the external auditors, the audit report and audit findings, the evaluation of the system of risk management and internal controls, management letter and management’s response thereto.
  - (g) To review the assistance given by the employees of the Group to the external auditors.
  - (h) To do the following in respect of the Group’s internal audit function:-
    - Review the functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
    - Review the annual audit plan to ensure adequacy of the scope, taking into consideration the assessment of the key internal control risk areas;
    - Review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;

- Review the report and findings of the internal audit department including any major findings of internal investigations and the management's response thereto;
  - Assess the performance of members of the internal audit function, amongst the factors considered are the audit programme drawn up, audit approach adopted and compliance with recognised standards and frameworks, the quality of audit issues raised and recommendations to management, and efficiency of resource utilisation;
  - Approve any appointment or termination of senior staff members of the internal audit function; and
  - Take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resigning.
- (i) To review any related party transaction and conflict-of-interest situation that may arise within the Group.
- (j) To review the Statement on Corporate Governance, Report of Board Audit and Risk Management Committee and Statement on Risk Management and Internal Control, and recommend to the Board for consideration and approval for inclusion in the annual report.
- (k) Other functions as may be agreed to by the Committee and Board of Directors.
- (l) To do the following in respect of the Group's Risk Management function:-
- Oversee and monitor the implementation of the Risk Management framework and activities adopted by the Group;
  - Evaluate and recommend to the Board on risk management policies and strategies proposed by the management; and
  - Review and report to the Board on measures taken to identify and examine principal risks faced by the Group and to implement appropriate systems and internal controls to manage these risks.
- III. The Committee shall have explicit authority to investigate any matter within its terms of reference; the resources which it needs to do so and full access to information. The Committee should be able to obtain independent legal or other external professional advice if it considers necessary.
- IV. After each meeting, the Committee shall report and update the Board of Directors on significant issues and concerns discussed during the meeting and where appropriate, make necessary recommendations to the Board.

(End)