

The logo for Dialog Group Berhad, featuring the word "DIALOG" in white capital letters inside a teal rectangular box with horizontal lines above and below it.

DIALOG

DIALOG GROUP BERHAD

AUDIT COMMITTEE TERMS OF REFERENCE

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1. STATUS AND FUNCTION OF THE AUDIT COMMITTEE

The Audit Committee ("Committee") is a committee of the Board of Directors ("Board").

The function of the Committee is to assist the Board in fulfilling its oversight responsibilities. The Committee will review the Group's:

- financial reporting process
- system of internal controls and management of enterprise risk
- internal and external audit processes
- process for monitoring compliance with laws and regulations
- any other matters which may be specifically delegated to the Committee by the Board from time to time

2. MEMBERSHIP AND COMPOSITION

The Committee shall consist of at least three (3) non-executive Board members, a majority of whom shall be independent non-executive directors. Each member of the Committee should be financially literate, competent and be able to understand matters under the purview of the Audit Committee, including the financial reporting process.

Members of the Audit Committee are appointed for an initial term of two (2) years after which they may be re-appointed on such terms as may be determined by the Board of Directors.

The Committee shall not elect any former key audit partner as a member unless he/she has observed a cooling-off period of at least three (3) years before being appointed as a member of the Committee.

3. MEETINGS

The Committee shall hold at least five (5) regular meetings per year and such additional meetings as the Chairperson shall decide in order to fulfil its duties and if requested to do so by any committee member, the management, and the internal or external auditors. The Committee may invite any person to be in attendance to assist in its deliberations. A quorum must consist not less than two (2) members of which the majority shall be independent non-executive directors.

4. AUTHORITY

The Committee shall have the authority to seek any information it requires from any officer or employee of the Group and such officers or employees shall be instructed by the Board of the Company employing them to respond to such enquiries. It is authorized to take such independent professional advice, as it considers necessary. The Committee is authorized by the Board to investigate any activity within its responsibility and duties. The Committee shall submit a report to the Board detailing its findings and recommendations immediately after deliberating on the findings of its enquiries.

The Committee also has the right to convene meetings with the internal and external auditors without the attendance of other directors and employees of the Company, whenever deemed necessary.

5. DUTIES OF AUDIT COMMITTEE

To fulfil its responsibilities and duties, the Committee shall review the following:

- a. The audit scope and plan of the external auditors and the internal auditors, including any changes in the planned scope of the audit plan;
- b. Significant audit findings during the financial year with Management, external auditors and internal audit, including the status of previous audit recommendations and the extent of assistance and co-operation given by the Group and the Group's employees to the auditors;
- c. The external and internal audit reports to ensure that where major deficiencies in internal controls or procedures have been identified, appropriate and prompt remedial action is taken by Management;
- d. Any nomination, appointment, resignation and performance as well as independence of the external auditors. The evaluation criteria of external auditors shall include an assessment of competence, audit quality and resource capacity and shall also consider information presented in the Annual Transparency Report of the audit firm;
- e. The provision of non-audit services by the external auditors for compliance with independence requirements;
- f. The Internal Audit Charter, budget and staffing;
- g. Business risk assessment and internal controls instituted, including the Board's Statement on Risk Management and Internal Control ("SORMIC");
- h. The establishment of an appropriate internal control framework, including information systems and potential enhancements;
- i. Investigation reports on any major defalcations, frauds and thefts from the Group;
- j. The quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
 - changes in or implementation of major accounting policy changes;
 - significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and
 - compliance with accounting standards and other legal requirements;
- k. Related party transactions and conflict of interest situations that arose, persist or may arise within the Company and/or the Group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts;
- l. The appraisal or assessment of the internal audit function, approval of any appointment or termination of senior staff members and be informed of the staff movement within the internal audit function;
- m. Procedures in place to ensure that the Group is in compliance with the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other legislative and reporting requirements;

- n. The allocation of options pursuant to a scheme to the Group's eligible employees as being in compliance with the criteria which has been disclosed to employees of the Group; and
- o. Where the 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 listing requirement, the Committee must promptly report such matter to the Bursa Malaysia Securities Berhad.

6. SECRETARY OF THE AUDIT COMMITTEE

The Company Secretary or any person as appointed by the Committee shall be the Secretary of the Committee. The Secretary shall:

- Ensure all appointments to Committee are properly made;
- Ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues;
- Record, prepare and circulate the minutes of the Committee meetings promptly to all members of the Board; and
- Ensure that the minutes are properly kept and produced for inspection if required.

7. REVIEW OF THE TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Committee will review and reassess the adequacy of the terms of reference of the Committee annually.