



IOI PROPERTIES
Trusted.

IOI PROPERTIES GROUP BERHAD

Company Registration No. 201301005964 (1035807-A)
(Incorporated in Malaysia)

TERMS OF REFERENCE FOR AUDIT COMMITTEE

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1. PURPOSE

The Audit Committee ("AC" of the "Committee") is established as a committee of the Board of Directors (the "Board") of IOI Properties Group Berhad ("IOIPG" or the "Company") with the following primary objectives:-

- 1.1 To serve as a focal point for communication between other Directors, the external auditor and the internal auditor as regards their duties relating to the Company and its subsidiaries' (collectively, the "Group") financial reporting, internal controls, external and internal audits, and such other matters as the Board determines from time to time.
- 1.2 To assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting, by satisfying themselves as to the effectiveness of the internal controls of the Group, and as to the adequacy and effectiveness of the external and internal audit.
- 1.3 To implement and maintain an effective Whistleblowing Policy for the Group.

Matters to be considered by the Committee shall include, but not be limited to, the matters set out below in section 4.

2. COMPOSITION AND APPOINTMENT

- 2.1 The AC shall be appointed by the Board from amongst its members and shall consist of not fewer than three (3) members. All the AC members must be Non-Executive Directors with a majority of them being Independent Directors.
- 2.2 All the AC members should be financially literate with at least one (1) member who is a member of the Malaysian Institute of Accountants or alternatively a person who must have at least three (3) years working experience and have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967 or is a member of one (1) of the associations of accountants specified in Part II of the said Schedule or fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Malaysia").
- 2.3 No alternate Director shall be appointed as a member of the AC.
- 2.4 The AC shall elect a Chairman from among its members who is an Independent Non-Executive Director and not the Chairman of the Board.
- 2.5 Former audit partner of the firm of external auditors shall observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.
- 2.6 In the event that a member or the Chairman of the AC resigns, dies or for any other reason ceases to be a member or Chairman with the result that the number of members is reduced to below three (3) or there is no Chairman in the AC, the Board shall, within three (3) months of that event, appoint such number of new member(s) or Chairman.
- 2.7 The term of office and performance of the AC and each of its members shall be reviewed by the Nomination and Remuneration Committee annually.

3. AUTHORITY

- 3.1 In carrying out its duties and responsibilities, the AC, is authorised by the Board and at the expense of the Company, shall have the following powers and authority:-

- (a) Investigate any matter within its Terms of Reference; or as directed by the Board and have full and unrestricted access to any information pertaining to the Group and its Management. Additionally, all employees of the Group are required to cooperate fully with requests made by the AC.
- (b) Have direct communication channels with both the external auditors and internal auditors.
- (c) Have full and unrestricted access to information pertaining to the Company and the Group, their records, properties and personnel.
- (d) The AC may hold private meetings as needed to discuss confidential matters. Attendance at these sessions will be determined by the AC Chairman. This typically includes discussions with external and internal auditors.
- (e) The AC shall have the right to appoint independent professional or external counsels or other advisers, and approve the terms and conditions of the appointment and to invite such professionals or advisers to attend the AC's meetings and to brief the AC thereof if the AC considers this as necessary.

4. FUNCTIONS AND DUTIES

In fulfilling its primary objectives, the AC will undertake the following duties and responsibilities summarised below:-

4.1 Financial Reporting

The AC shall monitor the integrity of the financial statements of the Group, including its annual and quarterly reports, and any other formal announcement relating to its financial performance. The AC shall review and challenge where necessary:-

- (a) The consistency of, and any changes to, accounting policies and practices on a year-on-year basis and across the Group.
- (b) The methods used to account for significant or unusual transactions where different approaches are possible.
- (c) Whether the Group has followed appropriate accounting and auditing standards and made appropriate estimates and judgments, taking into account the views of the external auditors.
- (d) The clarity of disclosure in the Group's financial reports and the context in which statements are made.
- (e) Any significant financial reporting issues and judgments and all material information presented with the financial statements, such as significant adjustments resulting from the audit, and the going concern assumption and any qualifications.
- (f) Any significant or unusual items that are, or may need to be, reflected in financial reports and financial statements, and must give due consideration to any matters that have been raised by the staff responsible for the accounting and financial reporting function, compliance function or auditor (internal or external).
- (g) Ensure that the financial impacts of material sustainability matters, including but not limited to significant climate-related risks, will be considered and where appropriate, are reflected in the financial statements. This oversight role involves monitoring management's policies and processes to ensure thorough consideration of sustainability issues and monitoring compliance risks related to sustainability.

- (h) Compliance with the applicable approved accounting standards and other legal requirements.

4.2 External Auditors

The AC shall:

- (a) Consider and make recommendations to the Board, in relation to the appointment, re-appointment and removal of the Company's external auditors, oversee the selection process for new auditors and where required, investigate a resignation by the external auditors.
- (b) Oversee all relationships with the external auditors including but not limited to:-
 - (i) Review of their remuneration (to be negotiated by management), whether fees for audit or non-audit services and that the level of fees is appropriate to enable an adequate audit to be conducted and approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit.
 - (ii) Assessing annually their independence, suitability, performance and objectivity, taking into account relevant professional and regulatory requirements and the relationship with the auditors as a whole;
 - (iii) Assessing annually their qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditors on their own internal quality procedures. Discuss with the external auditor the nature and scope of the audit and reporting obligations.
 - (iv) Seek from the external auditor, on an annual basis, information about policies and processes for maintaining independence and monitoring compliance with relevant requirements, including provision of non-audit services and requirements regarding rotation of audit partners, the level of fees paid by the Company and the Group compared to the overall fee income of the firm, and other related requirements.
 - (v) Agree with the Board the policy relating to the hiring of senior employees of the external auditor and monitor the applications of such policy. The AC will consider whether as a result of such hiring there has been any impairment of the auditor's judgment or independence in respect of an audit.
- (c) Meet with the external auditors at least twice a year (it being noted that the external auditors may participate in such meetings virtually):-
 - (i) At every meeting to discuss their remit and any issues arising from the audit. Management of the Group shall not be present for such discussions.
 - (ii) Regularly throughout the year (including at the planning stage before the audit and at the reporting stage after the audit) as the external auditors shall require.
- (d) Review and approve the annual external audit plan and ensure that it is consistent with the scope of the audit engagement.
- (e) Review the findings of the external audit with the external auditors (if necessary in the absence of management), including but not limited to, the following:-
 - (i) A discussion of any major issues and recommendations which arose during the audit.

- (ii) Any accounting and audit judgements.
- (iii) Levels of operational and financial errors identified during the audit.
- (iv) Any disagreements with management which if not satisfactorily resolved would result in the issue of a modified report on the financial statements (i.e., a qualified, adverse or disclaimer of opinion in their report).
- (f) Obtain comments of management regarding the responsiveness of the external auditor to the needs of the Group, and review the effectiveness of the audit.
- (g) Review any representation letter(s) requested by the external auditors before they are signed by management.
- (h) Review the management letter and management's response to the external auditors' findings and recommendations, and ensure that the management will provide a timely response to issues raised in the external auditor's management letter.

4.3 Internal Audit Function

The AC shall:-

- (a) Monitor and review annually the effectiveness of the Group's internal audit function, in particular, ensure the adequacy of scope, resources, staff qualifications and experience, training programmes and budget. Ensure co-ordination between the internal and external auditors and ensure that the internal audit function has the full cooperation and assistance from Management within the Company and the Group.
- (b) Review and approve the annual internal audit plan and discuss with the internal auditor any significant findings and recommendations arising from the internal audit activities.
- (c) Review and monitor management's responsiveness to the findings and recommendations of the internal auditors.
- (d) Meet with the Head of Group Internal Audit (i) at least twice every year, to discuss their remit and any issues arising from the internal audits carried out. Management of the Group shall not be present for such discussions; and (ii) regularly throughout the year as the Group Head of Internal Audit shall require.
- (e) Where consultants or internal group resources are engaged by management of the Group to review aspect(s) of the Group's risk identification and/or risk management issues and/or internal control issues the AC should have access to all such reports and presentations and if considered appropriate request that such consultant(s) present to the AC.
- (f) Approve the Internal Audit Charter and review its effectiveness on an annual basis;
- (g) Approve decisions regarding the appointment and removal of the Head of Group Internal Audit.
- (h) Review the performance evaluation of the Head of Group Internal Audit.

4.4 Related Party Transactions and Conflict of Interest

- 4.4.1 To review any related party transaction and conflict of interest situations that arose, persist or may arise within the Company 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 as set out in the Group's Conflict of Interest Policy.

4.5 Whistleblowing Matters

- 4.5.1 To provide oversight of the implementation of the Group's Whistleblowing Policy, ensuring its effective execution and compliance with established procedure.
- 4.5.2 To review the Group's Whistleblowing Policy and its procedures as well as whistleblowing mechanism on a periodic basis and as required; and recommend to the Board for consideration and adoption any amendments to ensure that they meet the objectives and remain effective at all times (including in response to organisational changes within the Group and changes to relevant laws and/or statutory provisions).
- 4.5.3 To investigate, on its own, for any such concern or allegation within the authority conferred under this Terms of Reference when the matter:-
- (a) poses a serious risk to IOIPG's business; or
 - (b) involves any senior management, a member of the Board or individual within the Company or Group.
- 4.5.4 To designate an investigating officer to investigate any reports received and authorise the investigating officer to lodge reports with the relevant authorities on any employee or director, or any of such other parties, if necessary.
- 4.5.5 To review the investigation report and decide on the appropriate actions to be taken. Where deemed necessary and appropriate, the investigation report and corresponding recommendations shall be tabled to the Board for its consideration.

4.6 Other Matters

The AC shall:-

- 4.6.1 Review its own performance and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 4.6.2 Produce an annual report on its activities.
- 4.6.3 Enhance oversight of sustainability assurance activities, encompassing internal audit supervision and the selection and monitoring of external audit and other sustainability assurance providers.
- 4.6.4 Verify the allocation of options pursuant to Employees' Share Option Scheme ("ESOS") in compliance with the criteria of the ESOS at the end of each financial year.
- 4.6.5 Ensure that any matter which results in a breach of the Listing Requirements of Bursa Malaysia is reported to Bursa Malaysia if it has not been satisfactorily resolved.

In addition to the above duties, the AC may investigate, discuss or review matters outside its Terms of Reference if required to do so by the Board.

5. MEETINGS

5.1 Frequency and Attendance

5.1.1 The AC shall meet at least five (5) times a year. The Chairman shall also convene a meeting of the AC if requested to do so by any member, the management or the internal or external auditors to consider any matter within the scope and responsibilities of the AC.

5.1.2 The Group Chief Executive Officer, Group Chief Operating Officer, Chief Operating Officer, Chief Financial Officer, Group Financial Controller, Head of Group Internal Audit division and representatives of the external auditors shall normally be invited to attend meetings of the AC. The AC may also invite other Directors and employees to attend any of its meeting to assist in resolving and clarifying matters that may have arisen which require updates from the relevant parties, as appropriate.

5.2 Notice and Agenda

The Secretary shall issue and circulate the notice of the AC meetings confirming the venue, time and date at least five (5) working days before each meeting to the Committee members and all those who are required to attend the meeting.

5.3 Quorum

A quorum shall consist of a majority of Independent Non-Executive Directors and shall not be less than two (2). If the AC Chairman is not present within fifteen (15) minutes from the appointed time of the AC meeting, the members present shall elect one (1) of their members, who must be Independent Non-Executive Director, to chair the meeting.

5.4 Meeting Mode

A meeting of the AC shall normally be conducted face-to-face to enable effective discussion; however, meeting may also be conducted via telephone conferencing, video conferencing or any other form of audio or audio-visual instantaneous communication and the participation in the meeting pursuant to this provision shall constitute presence in person at such meeting.

5.5 AC Resolutions in Writing

5.5.1 The AC may from time to time and if deemed appropriate, consider and approve and/or recommend relevant matters, via a Circular Resolution in writing, in lieu of formally convening a meeting. All such resolutions shall be described as "Audit Committee Members' Circular Resolution in Writing", and shall be recorded by the Secretary in the Company's Minutes Book.

5.5.2 Approval of the AC obtained by an AC Members' Circular Resolution in Writing must be signed or approved by a majority of AC members, subject to item 5.6.2.

5.5.3 Any such document may be accepted as sufficiently signed by a majority of AC members if transmitted to the Company by any technology purporting to include a signature and/or electronic or digital signature of the member of AC.

5.5.4 These resolutions may consist of several documents in original or facsimile in the like form each signed by one or more members.

5.6 Voting

- 5.6.1 All resolutions of the AC shall be adopted by a simple majority vote, each AC member having one (1) vote. In the event of an equality of votes, the Chairman shall not have a casting vote. All conflicting views shall be submitted to the Board for its final decision.
- 5.6.2 An AC member is required to abstain from deliberations and voting in respect of any matter, which may give rise to an actual or perceived conflict of interest situation involving the AC member.

5.7 Meeting Minutes

- 5.7.1 The Minutes of the meeting shall be action oriented, and record the deliberations and decisions of the AC. Minutes shall include compiled Board instructions as matters arising for discussion at each AC meeting to ensure proper follow through.
- 5.7.2 The Minutes shall be distributed to AC members and shall be confirmed by the AC Chairman or Chairman of the meeting at which the proceedings are held or by the Chairman of the next succeeding meeting. Copies of Minutes shall be distributed to all members of the Board.

6. ATTENDANCE AT ANNUAL GENERAL MEETING

The AC Chairman (or in his absence, an alternative member of the AC) shall attend the Annual General Meeting of the Company.

7. SECRETARY

- 7.1 The Secretary of the AC shall be the Company Secretary for the time being or, such other person as may be nominated by the AC.

The Secretary shall organise and provide assistance at AC meetings and have the following key responsibilities:-

- (a) attend and ensure all AC meetings are arranged and held accordingly;
- (b) assist the Chairman in planning the AC's activities;
- (c) draw up meeting agendas in consultation with the AC Chairman and maintain the minutes;
- (d) ensure structured communication channels between the Board and the AC; and
- (e) ensure proceedings of meetings are recorded and the minutes circulated in a timely manner, and reviewed by the AC before disseminating them to the Board.

8. CONTINUOUS PROFESSIONAL DEVELOPMENT

All members of the AC are expected to possess a working familiarity with fundamental principles of finance, accounting governance, internal audit, sustainability, and risk management practices. They are strongly encouraged to further develop and enhance their knowledge through ongoing professional training and educational programmes.

9. REVIEW OF THE TERMS OF REFERENCE

The AC shall recommend any changes to its Terms of Reference in such manner as the AC deems appropriate to the Board for approval. The Terms of Reference shall be reviewed and updated where necessary i.e., when there are changes to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia or any other regulatory requirements.

This Terms of Reference was last amended and approved by the Board on 28 May 2025.