



LANDMARKS BERHAD
(185202-H)

AUDIT AND RISK MANAGEMENT COMMITTEE

TERMS OF REFERENCE

The Audit Committee was established on 22 February 1993 to act as a Committee of the Board of Directors (“the Board”) to fulfil its fiduciary responsibilities. The authority, functions, and duties of the Committee shall be extended to its subsidiary companies (“the Group”). The Committee was re-named the Audit and Risk Management Committee on 28 November 2007, with the additional responsibility for the risk management functions of the Group.

1. Composition

The Board shall elect the Committee members from amongst themselves, comprising no fewer than three (3) directors, where the majority shall be independent directors. All members of the Committee shall be non-executive directors.

The Chairman of the Committee shall be an independent non-executive director.

No alternate director of the Board shall be appointed as a member of the Committee.

2. Meetings

Meetings shall be conducted at least four (4) times annually, or more frequently as circumstances dictate.

In order to form a quorum for the meeting, the majority of members present must be independent directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

The Company Secretary shall be appointed Secretary of the Committee. The Secretary, in conjunction with the Chairman, shall draw up an agenda which shall be circulated at least one week prior to each meeting to the members of the Committee. The minutes of all Committee meetings shall be circulated to members of the Board.

The Committee shall meet at least twice annually with the external auditors and/or internal auditors without the presence of the other directors and management to discuss any matters with the Committee.

3. Authority

The Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee and employees are directed to cooperate with any request made by the Committee. The Committee can obtain, at the expense of the Company, independent legal or other professional advice if it considers necessary.

4. Terms of Reference

The Committee shall primarily be responsible to review and report the following to the Board:

External Audit

- To review the nature and scope of the audit plan with external auditors;
- To meet and discuss any key concerns with the external auditors at least twice a year without the presence of management;
- To review the audit report, external auditors' management letter and management's response;
- To assess the assistance given by employees to the external auditors; and
- To consider the appointment, re-appointment, resignation or dismissal of the external auditors and the audit fees.

Internal Audit

- To review the adequacy of the scope, functions and resources of the internal audit function and the authority to carry out its work;
- To review the internal audit programme, the processes and the results of any investigation undertaken and the recommendations from the internal audit;
- To review the appraisal or assessment of the performance of the members of the internal audit function;

- To consider the appointment or termination of senior staff members of the internal audit function or the outsourced service provider; and
- To review any major findings of internal audit investigations and management response.

Internal Controls

- To review the adequacy and integrity of internal control systems, including risk management and management information systems;
- To assess the risk management framework adopted by the Group and the processes employed to identify, evaluate and manage key business risks; and
- To evaluate the system of internal controls with the external auditors.

Financial Reporting

- To review the quarterly results and year-end financial statements, focusing particularly on:
 - changes in or implementation of major accounting policies and practices;
 - significant and unusual events and adjustments arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements.

Related Party Transactions

- To consider related party transactions and conflict of interest situations that may arise in any transaction, procedure or course of conduct.

The Committee shall submit an annual report to the Board summarising the Committee's activities during the year and the related significant results and findings.