

**SEAL INCORPORATED BERHAD (4887-M)**  
(Incorporated in Malaysia)

**AUDIT COMMITTEE**  
**TERMS OF REFERENCE**

**Constitution**

The Board of Directors resolved to establish a Committee of the Board to be known as the Audit Committee on 13 July 1994. The terms of reference of the Audit Committee amended on 13 May 2009 shall be as follows:

**Composition of the Audit Committee**

The Committee shall be appointed by the Board from among its Directors (except alternate directors) and shall fulfill the following requirements:

- (a) the Committee must be composed of no fewer than three (3) members;
- (b) all the Committee must be non-executive directors, with a majority of them being independent directors; and
- (c) at least one member of the Committee:
  - (i) must be a member of the Malaysian Institute of Accountants; or
  - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
    - (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
    - (bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.
  - (iii) fulfils such other requirements as prescribed or approved by the Exchange.

The members of the Committee shall elect a Chairman from among their number who shall be an independent director.

The Board shall, within three (3) months of any vacancy occurring in the Committee which results in the non-compliance of the composition of the Committee appoint such number of new members as may be required to comply with the required composition.

The Board shall review the term of office and performance of the Committee and each of its members at least once every three years.

**“The Nominating Committee shall review the term of office and performance of the Committee and each of its members annually”.**

*Amended as at 21.11.2016*

**Rights**

The Committee shall, in accordance with the procedure determined by the Board and at the cost of the Company,:

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

- (e) be able to obtain independent professional or other advice; and
- (f) be able to convene meetings with the external auditors, excluding the attendance of the executive members of the Committee, whenever deemed necessary.

### **Functions**

The functions of the Committee shall include the following:

- (1) review the following and report the same to the Board:
  - (a) with the external auditor, the audit plan;
  - (b) with the external auditor, his evaluation of the system of internal controls;
  - (c) with the external auditor, his audit report, management letter and management's response;
  - (d) the assistance given by the employees of the Company to the external auditor;
  - (e) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
  - (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
  - (g) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
    - (i) changes in or implementation of major accounting policy changes;
    - (ii) significant and unusual events; and
    - (iii) compliance with accounting standards and other legal requirements;
  - (h) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
  - (i) any letter of resignation from the external auditors of the Company; and
  - (j) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment; and
- (2) recommend the nomination of a person or persons as external auditors.
- (3) **assess the performance of the internal and external auditors including assessment on their independence on an annual basis.**

*Amended as at 21.11.2016*

### **Meetings**

Meetings of the Committee shall be held not less than four (4) times a year. The Committee shall meet with the external auditors without executive board members present at least twice a year. The external auditors may request a meeting if they consider that one is necessary and shall have the right to appear and be heard at any meeting of the Committee. The Chairman shall convene a meeting whenever any member of the Committee requests for a meeting. Written notice of the meeting together with the agenda shall be given to the members of the Committee and external auditor where applicable. The quorum for a meeting of the Committee shall be two (2) Provided Always that the majority of members present must be independent directors and any decision shall be by a simple majority.

Other Board members and employees may attend any particular meeting only at the Committee's invitation.

The Company Secretary shall be the Secretary of the Committee.

### **Reporting Procedures**

The Secretary shall maintain minutes of the proceedings of the meetings of the Committee and circulate such minutes to all members of the Board.

**SEAL INCORPORATED BERHAD (4887-M)**  
(Incorporated in Malaysia)

**NOMINATING COMMITTEE  
TERMS OF REFERENCE**

**Constitution**

The Board of Directors resolved to establish a Committee of the Board to be known as the Nominating Committee on 22 August 2002. The terms of reference of the Nominating Committee amended on 20 October 2003 shall be as follows:

**Objective**

To ensure an appropriate structure for management succession and development and an effective process for director selection and tenure.

**Composition of the Nominating Committee**

The Committee shall be appointed by the Board, composed exclusively of non-Executive Directors, and shall fulfil the following requirements:-

- a) the Committee shall be composed of no fewer than two (2) members;
- b) a majority of the Committee must be independent directors;
- c) there must be a quorum of a majority of the members for the Committee Meeting to be held.

The members of the Committee shall elect a Chairman from among their members who shall be an independent director.

The Board shall, within three (3) months of any vacancy occurring in the Committee which result in the non-compliance of the composition of the Committee appoint such numbers of new members as may be required to comply with the required composition.

The Board shall review the term of office of each of its members at least once every three years.

**Rights**

The Committee shall, in accordance with the procedure determined by the Board and at the cost of the Company:

- a) have the resources which are required to perform its duties;
- b) have full and unrestricted access to any information pertaining to the Company;
- c) have direct communication channels with the management staff; and
- d) be able to obtain independent professional or other advice.

**Responsibilities**

The Committee has the responsibility for proposing new nominees for the Board and for assessing Directors on an on-going basis. The actual decision as to who shall be nominated should be the responsibility of the full Board after considering the recommendations of the Committee.

### **Functions**

The functions of the Nominating Committee shall include the following:

- a) to recommend candidates for appointment to the Board;
- b) to facilitate board induction and training programmes to newly appointed Directors;
- c) to oversee appointment, management succession planning and performance evaluation of Key Responsible Persons (other than Directors and Board Committees);
- d) to carry out annual assessment on the effectiveness of the Board and Board Committees as a whole, the contribution, competencies, commitment and performance by each director;
- e) to facilitate achievement of board gender diversity policies, targets and measures to achieve it;
- f) to carry out the annual assessment of the independence of the Independent Directors.

### **Meetings**

The Committee shall meet at least once a year and as and when deemed necessary for the discharge of its responsibilities. The Chairman shall convene a meeting whenever any member of the Committee requests for a meeting.

The quorum for a meeting of the Committee shall be two (2) Provided Always that the majority of members present must be independent directors.

The Committee may invite any person to be in attendance at the meeting to assist in its deliberations.

### **Reporting**

The Company Secretary shall maintain minutes of the proceedings of the meetings of the Committee and circulate such minutes to all members of the Board. All decisions shall be reported to the Board.