



CAM RESOURCES BERHAD [REGISTRATION NO. 200001032704 (535311-D)]
TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Terms of Reference of Audit Committee (“AC” or “Committee”) are as follows:

1. Purpose

The purpose of AC is to assist the Board in fulfilling its fiduciary responsibilities for the oversight of corporate accounting, system of risk management and internal control, policies and procedures, the audit process, and the process of monitoring compliance with laws and regulations, as well as the integrity of the financial reporting and practises of the Company and its subsidiaries (“Group”).

The AC also assists in overseeing and appraising the quality of the audits conducted both by the Company’s internal and external auditors.

In addition, the AC shall maintain open lines of communication between the Board of Directors, the internal auditors, and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities.

2. Composition

The AC shall be appointed by the Board from amongst its Directors and shall comprise of not fewer than three (3) members.

All the AC members should comprise solely of Independent Directors. At least one (1) member of the Committee must:

- (i) be a member of the Malaysian Institute of Accountants (“MIA”); or
- (ii) if he/she is not a member of the MIA, he/she must have at least three (3) years of working experiences and:
 - he/she must have passed the examinations specified in Part I of the 1st Schedule of the Accountant Act 1967; or
 - he/she must be a member of one of the association of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
- (iii) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad (“Bursa Securities”).

All members of the AC should be financially literate, competent, and able to understand matters under the purview of the AC, including the financial reporting process.

Any person having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgement in carrying out the functions of the AC shall not be appointed as an AC member.



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The office of an AC member shall be vacated when he/she ceases to be a Director of the Company.

No Alternate Director is to be appointed as a member of the AC.

In case of a former partner of the external audit firm of the Company and/or the affiliate firm (including those providing advisory services, tax consulting) is being nominated as a member of the AC, he/she shall observe a cooling off period of at least three (3) years before being appointed as a member of the AC.

In the event of any vacancy resulting the number of members reduced to below three or there is no chairman, the vacancy shall be filled within three (3) months. Therefore, a member of the AC who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he/she leaves.

The terms of office and performance of the AC and each of its members must be reviewed by the Nomination Committee annually to determine whether the AC and its members have carried out their duties in accordance with their Terms of Reference.

3. Chairman

The Chairman of the AC shall be elected by the AC from amongst their members, who is an Independent Non-Executive Director and shall not be the Chairman of the Board.

The Chairman's role is to:

- (a) The role of the Chairman includes planning and conducting meetings, overseeing and reporting to the Board, encouraging open discussion during meetings, and developing and maintaining an active on-going dialogue with Management, the Internal Auditors and External Auditors.
- (b) The Chairman shall engage on a continuous basis with the Chairman of the Board, Senior Management such as the Managing Director/Chief Executive Officer, the Chief Financial Officer/Group Account Manager/Group Financial Controller, the Internal Auditors and External Auditors in order to be kept informed of matters affecting the Company such as the Company's reporting process, internal controls, risk management and governance with the aim of ensuring the effectiveness and efficiency of the internal control systems and the risk management framework.

In the absence of the Chairman, the AC members may elect one (1) of their numbers to be the chairman of the meeting.



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4. Secretary

The Company Secretary or his/her nominee shall act as Secretary of the AC and shall be responsible, in conjunction with the AC Chairman, for drawing up the agenda and circulating it prior to each meeting.

The Company Secretary or his/her nominee shall be in attendance at each AC meeting and record the proceedings of the AC meeting thereat and minute the resolutions.

The Company Secretary shall also be responsible for keeping the minutes of AC meetings and circulating them to the AC Members. The AC members may inspect the minutes of the AC meetings at the Registered Office of the Company.

5. Meetings

The number of meetings which the AC shall hold will depend on the circumstances but as a minimum, there must be at least five (5) times in each financial year. Additional meetings shall be scheduled as considered necessary by the AC or Chairman. The AC may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.

The AC members may participate in an AC meeting by means of conference telephone, conference videophone or any similar or other communications equipment by which case all persons participating in the AC meeting can hear each other. Such participation in an AC meeting shall constitute presence in person at such a meeting.

The quorum for an AC meeting shall be two (2) AC members with majority of Independent Directors present at the meeting.

All decisions at such AC meeting shall be decided on a show of hands by majority of votes. In the case of an equality of votes, the AC Chairman shall be entitled to a casting vote in addition to the vote to which he is entitled as an AC Member.

The AC shall have the right to invite other Directors, members of Management and/or external advisers/consultants as applicable to participate in the AC Meeting, as and when necessary, to carry out its responsibilities.

The AC meetings shall be called by the Secretary of the AC at the request of the AC Chairman based on planned calendar dates. Notice of each AC meeting confirming the venue, time and date, together with an agenda of items and its supporting papers to be discussed, shall be forwarded to all AC members.



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The Managing Director/Chief Executive Officer, Directors, Chief Financial Officer, Management, Internal Auditors and/or External Auditors may attend any particular AC meeting only at the invitation of the AC or Chairman and shall appear before the Committee when required to do so by the AC. Other Board member and employees may attend meeting upon the Committee's invitation.

The Internal Auditors and/or External Auditors may also request for a meeting with the AC if they consider it necessary (and/or believe the matter should be brought to the attention of the AC and/or the Board) and have the right to appear and be heard at any meeting of the AC. The Chairman shall call for a meeting upon the request of the Internal and External Auditors.

Where the AC is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") or other authorities, the AC must promptly report such matter to Bursa Securities, or the authority concerned.

The Secretary or his/her nominee shall minutes the proceedings and resolutions, including the names of all attendees. Draft minutes of AC meetings shall be circulated to all AC members. Once approved, minutes should be circulated to all other directors, unless a conflict of interest exists.

The AC Chairman shall report to the Board on its proceedings after each AC meeting on matters within its duties and responsibilities. The AC shall make recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is needed.

Except in the case of an emergency, reasonable notice of every AC meeting of not later than four (4) days before the date of AC meeting shall be given in writing and the notice of each AC meeting shall be served to the AC members either personally or by fax or e-mail, or by post or by courier to his/her registered address as appearing in the Register of Directors or to the address provided by the AC members, as the case may be.

6. Private session with the External Auditors

The AC should meet up with the External Auditors without the presence of any executive Board member or management present at least twice a year.



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7. AC Resolutions in Writing

In the event the AC require matters to be approved by way of a written resolution, a resolution in writing signed or approved by any other form of electronic communications by all AC members, shall be as valid and effectual as if it had been passed at a AC meeting duly called and constituted.

Any such resolution may be executed in any number of counterparts, each signed by one (1) or more AC members, all of which, taken together and when delivered to the Secretary without delay, shall constitute one (1) and the same resolution and be recorded by him/her in the Company's minutes book.

8. Rights and Authority

The AC shall:

- (a) have explicit authority to investigate any matter within its Terms of Reference and have the right of direct access to anyone within the Group to conduct a special investigation to be carried out for fraud, violation of code of conduct or an illegal act;
- (b) have the appropriate resources which are required to perform its duties;
- (c) have full and unrestricted access to any resources and information pertaining to the Company and Group as deemed appropriate for the discharge of its responsibilities to the Company;
- (d) have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity;
- (e) have the right to obtain independent professional or other advice and to invite outside experts or advisors such as valuers or tax consultants with relevant experience and expertise to attend the AC Meeting (if required) and to brief the Committee at the Company's expense with prior consent of the Managing Director/Executive Directors to approve the budget;
- (f) have the right to convene meetings with the Internal Auditors and/or External Auditors without the presence of executive directors, management and/or employees of the Company and Group, whenever deemed necessary;
- (g) promptly report to Bursa Securities, or such other name(s) as may be adopted by Bursa Securities, matters which have not been satisfactorily resolved by the Board resulting in a breach of the MMLR of Bursa Securities;



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- (h) have the right to pass a resolution by a simple majority vote of the AC, and that the AC Chairman shall have the casting vote should a tie arise; and
- (i) have the right to meet as and when required on a reasonable notice.

9. Duties and Functions

The AC, as required by applicable laws, rules, or regulations and otherwise to the extent it deems necessary or appropriate, shall:

i. Oversight of Financial Reporting

- (a) To review and deliberate the quarterly financial results, year-end financial statements and annual report of the Company prepared by the Management, where necessary, together with external auditors, before recommending to the Board for approval and release to Bursa Securities, focusing particularly on:
 - any significant changes in or implementation of accounting policies and practices;
 - significant or material adjustments with financial impact arising from the audit;
 - significant matters highlighted including financial reporting issues, significant judgments made by Management, significant and unusual events or transactions, and how these matters are addressed;
 - the going concern assumptions;
 - the appropriateness of Management's selection of accounting policies and disclosures in compliance with approved accounting standards and other regulatory requirements; and
 - compliance with applicable financial reporting standards and other legal requirements.
- (b) To monitor the integrity of the financial statements of the Company.
- (c) To assess whether the financial report represents a true and fair view of the Company's performance and ensure compliance with the regulatory requirements.



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- (d) To propose best practices on disclosure in the financial statements and the annual reports of the Company, to be in line with the recommendations set out in the Malaysian Code of Corporate Governance and other applicable rules and regulations.

ii. External Audit

- (a) To recommend and consider the appointment or re-appointment of the External Auditors and audit fees and non-audit fees to the Board, after assessing the suitability, objectivity, resources, competency, and independence of the External Auditors pursuant to Policies and Procedures to Assess the Suitability and Independence of External Auditors, Appendix A.
- (b) To review and approve the provision of non-audit services by the External Auditors and their affiliates to ensure that they comply with the External Auditors Policies and Procedures.
- (c) To make appropriate recommendations to the Board on matters of resignation, dismissal, or cessation of office of the external auditors and to secure the reason for such resignation, dismissal or cessation of office.
- (d) Conducting private meetings with the External Auditors without the presence of executive directors or management of the Group to discuss problems and reservations arising from the interim and final audits, and other any matter the External Auditors may wish to discuss;
- (e) To review with the External Auditors on:
- the audit plan, its scope and nature;
 - the audit report;
 - the financial and non-financial information in the Annual Report;
 - consider the related remuneration, including both fees for audit and non-audit services, to ensure that the level of fees is appropriate to enable an effective and high-quality audit to be conducted.
 - Review and monitor the qualifications, expertise, resources and independence and objectivity of External Auditors within the context of the standards required by applicable law, regulation and listing requirements. The Committee shall consider at least annually, the standards employed by the External Auditors, quality assurance procedures and auditor competence.



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- the results of their evaluation of the accounting policies and systems of internal accounting controls within the Group;
 - the assistance given by the officers of the Company to External Auditors, including any difficulties or disputes with Management encountered during the audit;
 - management letter and/or major findings of internal investigations and Management's response therein;
 - review any representation letter(s) requested by the External Auditors before they are signed by management.
 - annually assess the performance and effectiveness of the External Auditors and the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the Committee.
- (f) To review with the Management:
- audit reports and management letter issued by the External Auditors and the implementation of audit recommendations;
 - interim financial information/report; and
 - the assistance given by the officers of the Company to the External Auditors.
- (g) Review and approve the engagement letter for the External Auditors' annual audit of the Company's consolidated financial statements;
- (h) To have policies and procedures to assess the suitability, objectivity and independence of External Auditors.

iii. Internal Audit

- (a) To decide on among others, the appointment and removal, scope of work, performance evaluation; and budget for the internal audit function, taking into account the following:
- the person responsible for internal audit has relevant experience, sufficient standing and authority to enable him to discharge his functions effectively;
 - internal audit has sufficient resources and is able to access information to enable it to carry out its role effectively; and



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- the personnel assigned to undertake internal audit have the necessary competency, experience and resources to carry out the function effectively.
- (b) To recommend the appointment of the Internal Auditors and their fees to the Board.
- (c) To make appropriate recommendations to the Board on matters of resignation, dismissal or cessation of office of the Internal Auditors and to secure the reason for such resignation, dismissal or cessation of office.
- (d) To review the adequacy of the scope, functions, competency, and resources of the internal audit function.
- (e) To review the risk-based internal audit plans and programmes and processes.
- (f) To ensure co-ordination between the Internal and External Auditors.
- (g) To review and discuss with the Internal Auditors, their audit findings, recommendations, management's responses to the audit findings and the proposed action plans, including those issues arising during the course of the audit (in the absence of management, where necessary).
- (h) To review the effectiveness and efficiency of the internal control systems, including the anti-corruption, whistleblowing and governance processes in place and the risk factors affecting the Group as the action plans taken by management to resolve the issue to ensure the adequacy of the internal control systems.
- (i) To review the internal audit plan, processes of the internal audit reports, recommendations raised, investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
- (j) To discuss problems and reservations arising from interim and final audits, and any matters the auditor may wish to discuss (in the absence of Management where necessary).
- (k) To annually assess the performance of services provided by the Internal Auditors and be satisfied that the internal audit should be carried out objectively and be independent from Management of the Company and of the functions which it audits and report its findings directly to the AC.



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iv. Risk Management and Internal Control

- (a) To recommend such measures as to be taken by the Board on the effectiveness of the system of internal control and risk management practices of the Group.
- (b) To evaluate the quality and effectiveness of the Company's internal control system and management information system, including compliance with the applicable laws, rules, corporate governance requirements and regulations.
- (c) To review the effectiveness and efficiency of the internal control systems, including the anti-corruption, whistle-blowing and governance processes in place and the risk factors affecting the Company as well as the action plans taken by management to resolve the issues to ensure the adequacy of the internal control systems.
- (d) To recommend to the Board the Directors' Statement on Risk Management and Internal Control and any changes to the said Statement.
- (e) To assist the Board in identifying the principal risks, review and assess the effectiveness of the risk management framework and internal control systems based on the reports and recommendations from the internal auditors and report to the Board on its findings.

v. Whistleblowing and Fraud

- (a) To review the Company's and Group's arrangements with its employees to raise concerns, in confidence, on the possible wrongdoings in financial reporting or other matters and ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action and review the Company's and Group's procedures for detecting fraud.
- (b) To cultivate the awareness of the employees and ensure the whistle-blower could report directly to the AC on any possible wrongdoings or fraud detected.
- (c) To oversee the implementation of whistleblowing procedures, direct the internal auditors to undertake the necessary inquiries and investigations of the whistleblowing reports and make a finding based on the results of the investigations and the same will be notified to the whistle-blower.

vi. Conflict of Interest situations and Related Party Transactions

- (a) To review and monitor the absence of any conflicts or Related Party Transactions entered into by the Company or the Group and to determine if such transactions are



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undertaken on an arm's length basis and on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public.

- (b) To ensure that the Board reports such transactions annually to the shareholders via the Company's annual report.
- (c) To review conflict of interest situations that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of Management integrity.
- (d) To report to Bursa Securities, if there is any recurrent related party transaction that exceeded the Shareholders' Mandate and to provide full reasoning and detailed explanations.

vii. Other Matters

- (a) To report to Bursa Securities or the relevant authority, if the AC is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements of Bursa Securities or other authorities.
- (b) To direct and where appropriate, supervise any special projects or investigations considered necessary, and review investigation reports on any major defalcations, frauds, or thefts.
- (c) To highlight such matters as the AC considers appropriate or as defined by the Board from time to time.
- (d) To oversee any periodic or ad-hoc or assurance activities with respect to sustainability management and reporting processes.
- (e) To undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.
- (f) To verify the allocation of options pursuant to a share scheme for employees to ensure compliance with the criteria for allocation of options under the share scheme at the end of each financial year.
- (g) Annually assess the Chief Finance Officer's/ Group Account Manager's performance with respect to those matters relevant to the AC's role and thereafter shall contribute such assessment of the Chief Finance Officer's/ Group Account Manager's performance to the Chief Finance Officer/ Group Account Manager.



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- (h) Reviewing and issuing the AC report for inclusion in the Annual Report; and
- (i) Reviewing the Statement on Risk Management and Internal Control and Statement on Corporate Governance to ensure adherence to legal and regulatory reporting requirements and appropriate resolutions of all accounting matters requiring significant judgements and recommend the same to the Board for approval.

10. Shareholders' Meeting

The Chairman of the AC should attend the shareholders' meeting to answer any shareholder's question on the AC's activities and responsibilities.

11. Reporting Responsibilities

The Chairman of the AC shall report to the Board on the AC's proceedings after each AC meeting. The AC shall make recommendations to the Board as appropriate on any area within its responsibility or as delegated by the Board, where action or improvement is required.

The AC shall review the report to be included in the Company's annual report regarding its activities and the processes during the financial year.

Where the AC is of the view that a matter reported by it to the Board has not been satisfactorily resolved, resulting in a breach of the MMLR of Bursa Securities or other authorities, the AC must promptly report such matter to Bursa Securities, or the authority concerned.

12. Access to Advice

In furtherance to their duties as the AC members of the Company, there should be an agreed procedure for the members, whether as a full AC or in their individual capacity, access to resources and information as deemed appropriate for the discharge of their responsibilities to the Company, including obtaining independent professional advice at the Company's expense and periodic review of its terms of reference against its performance.

13. Review of Terms of Reference

The terms of reference should be assessed, reviewed and updated at least once every three (3) years by the AC or as and when there are changes to the Malaysian Code on Corporate Governance, MMLR of Bursa Securities and or any other regulatory requirement that may be



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applicable or have an effect on the responsibilities of the AC, or any changes to the direction or strategies of the Group that may affect the AC's roles and responsibilities.

The AC should recommend any change to the terms of reference to the Board for approval in such manners as the AC deems appropriate to the Board for approval.

The terms of reference were reviewed and approved by the Board on 17 November 2022.