

**CONFIDENTIAL**



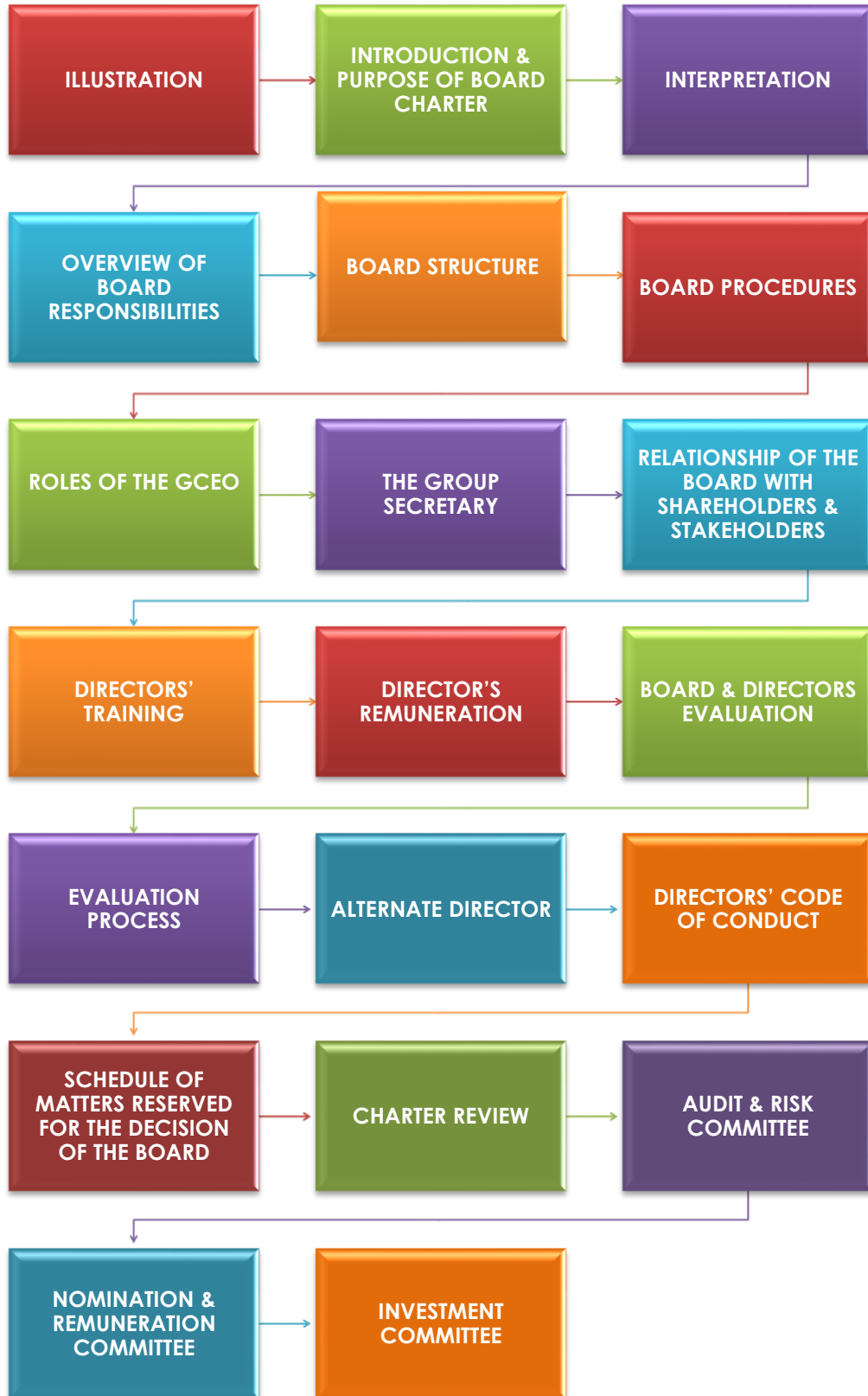
**SERBA DINAMIK HOLDINGS BERHAD**  
**REVISED BOARD CHARTER &**  
**TERMS OF REFERENCE OF ITS COMMITTEES**

Prepared by:

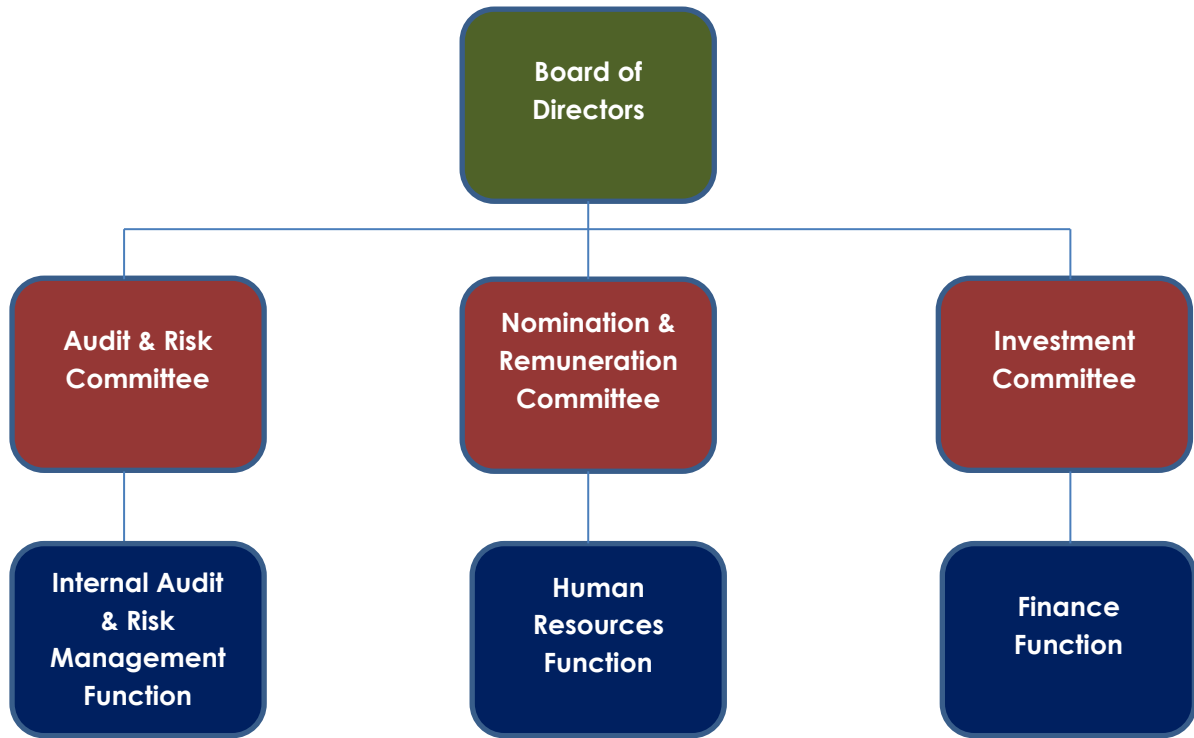


25 NOVEMBER 2019

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## 2. INTRODUCTION & PURPOSE OF BOARD CHARTER

The Board of Directors ("Board") is responsible for the proper stewardship of Serba Dinamik Holdings Berhad ("SDHB") and its subsidiaries (collectively the "Group") and is entrusted with leading and overseeing the business of the Group, which includes optimizing long-term financial returns and shareholder wealth creation.

The Board Charter aims to assist the Directors to better appreciate their roles and responsibilities, provide guidance including appropriate performance frameworks for measuring the performance of the Board as a whole as well as the contribution of each Director. It is hoped that with an appropriate understanding of its role and a framework for measuring performance, the Board will be better equipped to meet its responsibility of ensuring the long-term objectives of the Group are met.

The Board Charter is prepared in accordance to compliance with the Malaysian Code on Corporate Governance 2017 ("MCCG2017") which was issued by the Securities Commission Malaysia on March 2017.



### 3. INTERPRETATION

In this Charter:

“Alternate Director” means the alternate member of the Board;

“Board” means the Board of Directors of the Group;

“Board Committees” means the Audit & Risk Committee, Nomination & Remuneration Committee and any other Board Committee as may be established by the Board from time to time as it may deemed fit & necessary;

“Bursa Securities” means Bursa Malaysia Securities Berhad;

“Business” means the business of the Group;

“Chairman” means the Chairman of the Board and is used in gender-neutral sense;

“Constitution” means the Constitution of SDHB;

“GCEO” means Group Chief Executive Officer;

“Group Secretary” means the Board secretary appointed by the Board;

“Director” means a member of the Board;

“Independent Director” is as defined in the Listing Requirements;

“Listing Requirements” means the Main Market Listing Requirements of Bursa Securities;

“Management” means the management personnel of the Group;

“MCGG 2017” means the Malaysian Code on Corporate Governance 2017;

“Shareholders” means the shareholders of the Group;

“TOR” means Term of Reference.



#### 4. OVERVIEW OF BOARD RESPONSIBILITIES

The principal responsibilities of the Board are as follows:

- Reviewing and adopting a strategic plan for the Group

The role of the Board is to review, challenge and approved management's proposal on a strategic plan of the Group, which include overall corporate strategy, marketing plan, human resources plan, information technology plan, financial plan, budget, regulations plan and risk management plan.

- Overseeing the conduct of the Group's business

A basis function of the Board is to oversee conduct of the business and performance of management in order to determine whether the business is being properly managed.

- Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures

The Board must understand the principal risks of all aspects of the Group's business and ensure that there are systems in place which effectively monitor and manage these risks;

- Succession Planning

The Board should ensure that all candidates appointed to senior management positions are sufficient caliber and shall be responsible on appointing, training, fixing the remuneration of, and where appropriate, replacing key management;

- Overseeing the development & implementation of a shareholder communications policy for the Group

The responsibility of the Board is to ensure that the Group has in place a policy to enable effective communication with its shareholders and other stakeholders.

- Reviewing the adequacy and the integrity of the management information and internal controls system of the Group

The Board has to ensure that there is a sound framework of reporting on internal controls and regulatory compliance.



In carrying out the principal responsibilities of the Board, each Director shall do the following:

- Attend all Board meetings but where attendance at meetings is not possible, ensure that appropriate steps are taken to obtain a leave of absence;
- Acquire knowledge about the business of the Group, the statutory and regulatory requirements affecting the effective discharge of their duties to the Group, and be aware of the physical, political and social environment in which the Group operates;
- Study in advance all information and documentary materials provided and be prepared to discuss their contents at Board meetings;
- Assist the Chairman in providing the Group with effective leadership;
- Be available to advise management between Board meetings as and when necessary;
- Participate actively and to effectively contribute to Board discussions towards meeting the duties and responsibilities of the Board as outlined herein and in the respective TOR of Board Committees (where applicable);
- Always be alert of potential conflicts of interest that may affect the performance of his or her fiduciary duty towards the Group and seek to avoid these potential conflicts wherever possible. Any interest, actual or perceived (direct or indirect) should be declared to the Board as soon as possible; and
- Act honestly, in good faith and in the best interest of the Group as a whole, using due care and diligence in fulfilling his or her responsibilities, and exercising the powers attached to that office.
- Directors should consult the Chairman and/or the Group Secretary for any clarification on their responsibilities and duties and on any dealing from where a potential conflict of interest situation may arise.



## 5. BOARD STRUCTURE

### a. Board Balance & Composition

- The composition of the Board is to reflect the duties and responsibilities it has in discharging and performing its responsibilities. The composition of the Board shall reflect as much as possible or practicable, proportional representation of various investors in the Group. A Director is not required to hold any qualification share in the Group.
- The Constitution of SDHB provide for a minimum of 2 and a maximum 15 Directors. Pursuant to the Listing Requirements, the Group must ensure that at least 2 Directors or 1/3 of the Board, whichever is the higher, are Independent Directors.
- The MCCG2017 states that at least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent director.
- In accordance with Constitution of the Group, at each annual general meeting, 1/3 of the directors for the time being, or if their number is not a multiple of three, then the number nearest to 1/3 with a minimum of one, shall retire from office and an election of directors shall take place provided always that each director shall retire from office at least once in every three years but shall be eligible for re-election. The directors to retire in every year shall be those who, being subject to retirement by rotation, have been longest in office since their last election or appointment. A retiring director shall be eligible for re-election.
- The directors shall have power at any time and from time to time to appoint any person to be a director either to fill a casual vacancy or as an additional director, provided that the total number of directors shall not at any time exceed the maximum number of fixed by or in accordance with Constitution of the Group. Any director so appointed shall hold office only until the next AGM and shall then be eligible for re-election, but shall not be taken into account in determining the number of directors who are to retire by rotation at such meeting.
- As recommended under the MCCG 2017, the tenure of an independent director does not exceed a cumulative term limit of 9 years. Upon completion of the 9 years, an independent director may continue to serve on the board as a non-independent director.



- In the event the Board wishes to maintain the directorate of an Independent Director beyond the 9-year limitation period, the Board must justify and seek specific Shareholders' approval on the matter at the Group's general meeting. If Shareholders' approval is not obtained, upon completion of the nine-year period, an Independent Director may still continue to serve on the Board but subject to him/her being re-designated as Non-Independent Director.
- If the board continues to retain the independent director after the 12 year, the board should seek annual shareholders' approval through a two-tier voting process.
- The Board supports the gender boardroom diversity as recommended under the MCCG 2017. The Board through the Nomination & Remuneration Committee will review the appropriate proportion of female to male Directors on the Board at the time of considering appointment of new Directors to the Board.
- Apart from gender boardroom diversity, the Board supports diversity in ethnicity and age. The Board through the Nomination & Remuneration Committee will review the appropriate proportion of the age group and ethnicity of Board members at the time of considering appointment of new Directors to the Board.
- Directors shall not hold directorships in more than 5 public listed companies at any one-time subject to amendment(s) that may be made to this limitation by Bursa Securities from time to time. Before accepting any new directorship, a Director shall first notify the Chairman of the Board and the notification shall include an indication of time that the said Director will spend vis-a-vis the new appointment.

**b. New Board Member**

- Newly appointed directors shall be briefed on the terms of their appointment, their duties and responsibilities. Copies of the following shall be provided to the newly appointed Director:
  - this Board Charter;
  - SDHB's Constitution;
  - Latest annual report and audited financial statements of the Group;
  - Latest Strategic Plans and Annual Management Plan of the Group; and
  - Organization Chart.
- A Board induction session shall be conducted by Management to give the newly appointed Director an overview of the business and strategic plans of the Group.



### c. Role of Chairman

- The roles of the Chairman and the GCEO shall be separated. The Chairman is responsible for representing the Board to the Shareholders and is responsible for ensuring the integrity and effectiveness of the governance process of the Board. The Chairman shall maintain regular dialogues with the GCEO over all operational matters and shall promptly consult with the Board over any matter that gives him or her any cause of concern pertaining to the Group.
- The Chairman shall act as a facilitator at meetings of the Board to ensure that no Director, whether executive or non-executive, dominates discussions at Board meetings. He shall ensure that appropriate discussions take place and relevant opinions among Directors are forthcoming. The Chairman shall also ensure that discussions result in logical and understandable outcomes.

The key roles & responsibilities of the Chairman include the followings:

- Provide governance in matters requiring corporate justice and integrity;
- Manage Board communication and Board effectiveness and effective supervision over Management;
- Create conditions for good decision-making during Board and Shareholders meetings;
- Ensure Board proceedings are in compliance with good conduct and practices;
- Protect the interest and provide for (if permissible) the information needs of various Stakeholders;
- Maintain good contact and effective relationship with external parties, investing public, regulatory agencies and trade associations;
- Ensure that quality information to facilitate decision-making is delivered to the Board by Management in a timely manner; and
- Ensure compliance with all relevant regulations and legislations.



**d. Board Committees**

- The Board may delegate its responsibilities for specified matters to individual Directors or Board Committees.
- Each Board Committee must be provided with written TOR which clearly state the extent and limits of their responsibilities and authority and whether they can act on behalf of the Board, or to provide the necessary reporting to the Board.
- The present Board Committees are as follows:
  - Audit & Risk Committee
  - Nomination & Remuneration Committee
  - Investment Committee
- The TOR of the Board Committees are subject to a review and revision, amendment or modification by the Board from time to time, in which case the most recently amended TOR of a Board Committee shall be the TOR that shall apply to the said Board Committee.



## 6. BOARD PROCEDURES

### a. Board Meeting

The Board shall meet at regular intervals throughout the year.

The quorum for a meeting shall be more than 50% of members, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other.

In the absence of the Chairman, the members present shall elect an Independent Non-Executive Director from amongst the members present to be chairman of the meeting.

At each scheduled meeting, the Board shall consider, where applicable:

- Operational report(s), the financial results and cash flow projections;
- Review the reports and recommendations of the Audit Committee;
- Approve the quarterly announcement and quarterly financial statement to Shareholders and the public;
- Schedule of Matters which are reserved for the Board's collective decision;
- Significant capital expenditure and acquisitions;
- Significant disposal of the Group assets;
- Major issues or opportunities;
- Committee minutes/Board Circular Resolutions for notation;
- Changes in directorships and disclosure of interests;
- Disclosure of dealings by Directors/Principal Officers;
- Summary of shares movement for substantial shareholders; and
- Any other matters requiring the Board's approval.

In addition, the Board shall, at periodic intervals of not more than one year:

- Review the Group's objectives and goals;
- Review the strategies for achieving the stated goals;
- Approve the operational plan and budget;
- Consider and, if deem appropriate, declare or recommend payment(s) of dividends; and
- Review/approve reports and recommendations from the Audit & Risk Committee and other Board Committees.



**b. Meeting Papers**

In order to allow sufficient time for Directors to consider and better deliberate on matters that are tabled to the Board, Board papers, relevant information and agenda items are to be circulated at least five (5) working days before each meeting to the Directors and permanent invitees of the meeting.

**c. Access to Independent Professional Advice**

In discharging Directors' duties, each Director is entitled to obtain independent professional advice at the cost of the Group.

**d. Access to Management & Information**

The Directors shall have unrestricted access to Management and to information pertaining to the Group, including from the Group's auditors and consultants.

The Directors must use proper judgment to ensure that any contact made with Management does not distract the business operations of the Group and Management's function. Such contacts must be made through the GCEO.



## 7. ROLES OF THE GCEO

The GCEO is accountable to the Board for the overall organization, management and staffing of the Group and for the procedures in financial and operational matters, including in the areas of staff conduct and discipline and to promote leadership by example. The Board shall link the Group's governance and management functions through the Chairman with the GCEO.

All Board authority conferred on Management is delegated through the GCEO so that the authority and accountability of Management is considered to be the authority and accountability of the GCEO so far as the Board is concerned. The GCEO's authority is explicitly provided for in the Limits of Authority. The Directors should support the GCEO in undertaking this responsibility.

The role of the GCEO is summarized as follows:

- Foster a corporate culture that promotes ethical practices, encourages individual integrity and fulfill social responsibility;
- Maintain a positive and ethical work climate that is conducive to attracting, retaining and motivating a diverse group of quality employees at all levels;
- Develop and recommend to the Board a long-term strategy and vision for the Group that leads to the creation of shareholder value;
- Develop and recommend to the Board the Group annual business plans and budget that support the Group's long-term strategy;
- Ensure achievement of objectives and goals as contained in the strategic plan;
- Foster a corporate culture that promotes adherence to laws and regulations of the country;
- Manage the overall business and oversees the day-to-day operations of the Group;
- Ensure continuous improvement in the quality and value of the products and services provided by the Group;
- Ensure that the Group achieves and maintains a satisfactory competitive position within its industry;
- Recommend management structure and operating authority level which includes delegation of responsibilities to Management;
- Ensure that the Group has an effective Management team below the level of the GCEO and has an active plan for its development and succession;
- Ensure in cooperation with the Board, that there is an effective succession plan in place for the GCEO;
- Formulate and oversee the implementation of major corporate policies;



- Accountable to the Board for the propriety and regularity of the finances;
- Responsible for the financial management of the Group and overseeing the handling of the Group's financial matters which include keeping proper accounts for prudent and economical administration, avoidance of waste and extravagance, for efficient and effective use of all resources;
- Report to the Board periodically on the financial position of the Group which includes forecast results as may be required from time to time;
- Report to the Board on key performance indicators in relation to the financial results, market conditions and other developments;
- Recommend to the Board on annual management salary increment and Employees Share Option entitlement;
- Report to the Board on the results of employee union negotiation;
- Report to the Board on significant business decisions; and
- Serve as the chief spokesperson for the Group.



## 8. THE GROUP SECRETARY

The appointment or removal of Group Secretary shall be the prerogative of the Board as a whole. The specific responsibilities of the Group Secretary are as follows:

- Advise the Board and Management on governance issues;
- Ensure compliance with listing and related statutory obligations;
- Attend Board, Board Committees and general meetings, and ensure proper recording of minutes of meeting(s);
- Ensure proper upkeep of statutory registers and records;
- Assist the Chairman in the preparation for and conduct of meetings;
- Continuously update the Board on changes to listing rules, other related legislations and regulations.

## 9. RELATIONSHIP OF THE BOARD WITH SHAREHOLDERS & STAKEHOLDERS

Although the primary duty of the Board is to provide accountability to its Shareholders, a wide range of stakeholders have begun to look to the Board to provide information about the Group's standing.

This includes the regulators for statutory disclosure, creditors and lenders for confirmation on financial status, and customers for continuation of service and behavior.

In meeting these accountability responsibilities, the Board shall use its best endeavors to familiarize itself with the issues which are of concern to the Shareholders and stakeholders.

## 10. DIRECTORS' TRAINING

Directors' are required to undergo the required mandatory accreditation program organized by Bursa Securities.

In addition, Directors are required to attend relevant training courses/seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors as well as on technical matters; for example, on financial reporting standards, tax budgets, Corporate Governance, and others.





## 11. DIRECTORS' REMUNERATION

The Board will determine the level of remuneration to be paid to the Executive Directors (if any), taking into consideration the recommendations of the Nomination & Remuneration Committee. However, the determination of the remuneration packages of non-executive directors, including non-executive Chairman, shall be decided by the Board as a whole.

Non-executive Directors will be paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in the Board Committees and for their attendances at meetings. The fee which is subject to the approval of the shareholders, shall be fixed in sum and not by a commission or percentage of profits/turnover.

## 12. BOARD & DIRECTORS EVALUATION

The MCG 2017 stipulates that the Board should implement a process, to be carried out by the Nominating & Remuneration Committee on an annual basis, to assess the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director.

Pursuant to the Listing Requirements in assessing individual Directors, the Board should take into consideration the Directors' character, experience, integrity, competency and time to effectively discharge his/her role as a Director of the Group.

The Nominating & Remuneration Committee shall assess on an annual basis the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director. The BNRC shall also ensure that all assessments and evaluations carried out by the BNRC in the discharge of this function are properly documented.

## 13. EVALUATION PROCESS

The evaluation on the effectiveness of the Board of Directors, Board Committees and individual Directors shall be conducted through self-assessment methodologies whereby two (2) sets of Questionnaires namely, the "Evaluation of the Effectiveness of the Board Questionnaire" and the "Evaluation of the Effectiveness of the Board Committees Questionnaire" for the period under review shall be sent out to all members of the Board and the respective Board Committees for their completion.

As for the assessment on each individual Director, each Director shall be requested to undertake a self-assessment under the "Evaluation of the Effectiveness of the Board Questionnaire".



#### 14. ALTERNATE DIRECTOR

A Director may from time to time nominate a person, not being a Director, to act as his alternate and his discretion to remove such alternate Director but the appointment shall not take effect until approved by a majority of the other Directors. An alternate Director so appointed shall be entitled to receive from the Group such proportion (if any) of the remuneration otherwise payable to his/her appointor as such appointor may by notice in writing to the Group from time to time direct, but save as aforesaid, he/she shall not in respect of such appointment be entitled to receive any remuneration from the Group.

The alternate Director shall be entitled to receive notices of all meetings and to attend, speak and vote at any such meetings of Directors at which his appointor is not personally present. Any appointment so made may be revoked at any time by the appointor or by a majority of the Directors, and any appointment or revocation shall be affected by a notice in writing to be delivered to the Group Secretary. An alternate Director shall ipso facto cease to be an alternate Director if his appointor for any reason ceases to be a Director.

#### 15. DIRECTORS' CODE OF CONDUCT

The Board shall discharge their duties professionally, with due diligence and efficiency and to the best of their abilities. In discharging their duties, each member of the Board shall at all times abide by and conform to the following Code of Conduct:

##### **CORPORATE GOVERNANCE**

- Have a clear understanding of the aims and purpose, capabilities and capacity of the Group;
- Devote time and effort to attend meetings and to know what is required of the Board, and to discharge those functions effectively;
- Ensure at all times that the Group is properly and effectively managed and at all times act in the best interest of the Group;
- Stay abreast of the affairs of the Group and be kept informed of the Group's compliance with the relevant laws, rules and regulations;
- Insist on being kept informed on all matters of importance to the Group in order to be effective in corporate management;
- Notwithstanding the limit allowed under the relevant regulations or rules, to limit his/her directorship of companies to a number in which he can best devote his /her time and effectiveness;



- Exercise his/her powers for the purposes that were conferred to him/her by the Board and act in good faith for the benefit of the Group;
- Not divert to his /her own advantage and/or to the advantage of his/her connected persons any business opportunity that the Group is pursuing, and shall not use confidential information obtained by reason of his/her office for his/her own advantage or that of his/her connected persons and/ or other third parties;
- At all times act with utmost good faith and integrity towards the Group in any transaction and to act honestly and responsibly in the exercise of his/her powers in discharging his/her duties;
- Willing to exercise independent judgment and, if necessary, to openly oppose if the interest of the Group is at stake;
- Maintain confidentiality of all Group information which are sensitive in nature and which are not already in the public domain;
- Avoid any conflict of interest with fiduciary duty as follows:
  - To not have any self-dealing and/or conduct any private business or personal services with the Group except in accordance with the duly approved policies, processes and procedures to ensure openness, competitive opportunity and equal access to information.
  - To abstain himself or herself from voting and deliberating on any matter which involves his/her interest and/or involves a conflict of interest with his/her fiduciary duty.
  - To not use his/her position to obtain employment for himself/herself or his/her connected persons,
  - To immediately and regularly disclose his/her involvement with any organization, vendor, or association that might result in a situation of conflict.
  - A Director should immediately and regularly declare to the Board, their interest, actual or perceived (direct or indirect) and/or any changes to their personal particulars as soon as possible either verbally or in writing; and
- Exercise his/her authority over the Group as explicitly set forth in the Board Charter and/or the Limits of Authority ("LOA") and/or as authorized by the Board.

#### **RELATIONSHIP WITH SHAREHOLDERS, EMPLOYEES, CREDITORS & CUSTOMERS**

- Be conscious of the interest of all shareholders, employees, creditors and customers of the Group;
- Promote professionalism and improve the competency of management and employees; and



- Ensure adequate safety measures and provide proper protection to employees at the workplace.

#### **SOCIAL RESPONSIBILITIES & ENVIRONMENT**

- Adopt an objective and positive attitude and give the utmost cooperation for a common goal when dealing with government authorities or regulatory bodies;
- Ensure the effective use of natural resources, and improve quality of life by promoting corporate social responsibilities;
- Be more proactive to the needs of the community and assist in society-related program in line with the Corporate Social Responsibility Policy of the Group; and
- Ensure that the activities and the operations of the Group do not harm the interest and well-being of the society at large.

### **16. SCHEDULE OF MATTERS RESERVED FOR THE DECISION OF THE BOARD**

The list of matters reserved for decision of the Board are as specified below. List of matters may be varied, or amended from time to time as may be determined & approved by the Board.

#### **CONDUCT OF THE BOARD**

- Appointment and removal of directors based on recommendations of the Nomination & Remuneration Committee and subject to relevant laws and regulations;
- Appointment and removal of Group Secretary;
- Establishment and/or dissolution of Board Committees; and appointment and/or cessation of members of the Board Committees based on the recommendation of the Nomination & Remuneration Committee;
- Terms of Reference of Board Committees and amendments to such terms; and
- Appointment & removal of senior executive positions, as per the Group's LOA.

#### **REMUNERATION**

- Fee for Non-Executive Directors subject to the approval of Shareholders;
- Remuneration structure packages and policy for the GCEO and Chief Level Executives based on the recommendation of the Nomination & Remuneration Committee;
- New employees' share option scheme and/or amendments to the scheme, subject to other approvals that may be required by law or regulation; and
- Allocation and share grants in employees' share schemes.



**OPERATIONAL, PLANNING & INVESTMENT**

- Business strategy, management plan and annual budget;
- Mid-term annual review of the Group performance against business strategy and/or the Group annual management plan;
- Capital expenditure exceeding Management's authority or amounts under the Group's LOA;
- Write-off of bad debts and assets exceeding Management's authority or amount under the Group's LOA;
- Investments or divestments in a Group /business/property/undertaking;
- Investments or divestments of a capital project which represent a significant diversification from the existing business activities;
- Changes in the major activities of the Group; and
- LOA for the Group and any amendment thereto.

**FINANCIAL**

- Quarterly interim and annual financial statements based on recommendation of the Audit & Risk Committee;
- Release of announcements on quarterly interim and annual financial statements to Bursa Securities;
- Annual Directors' Report and Statutory Accounts;
- Declaration of interim dividends, recommendation of final dividends and the making of any distribution;
- Adoption of accounting policies;
- Approval of treasury policies; and
- Effectiveness of the Group's system of internal control. This function is delegated to the Audit & Risk Committee, which will in turn report to the Board on its findings.

**OTHER MATTERS**

- Granting of powers of attorney by the Group;
- Providing indemnities or guarantees;
- Recommendation for the alteration of the SDHB's **Constitution**;
- Change of the Group's name, financial year end and registered office;
- Purchase of own shares/share buy-back by the Group;
- Issuance of debt instruments;
- Charitable contributions as per the Group's LOA;
- Statement on Corporate Governance and/other relevant Statements for inclusion in the Group's Annual Report;



- Scheme of reconstruction or restructuring;
- Any other significant business decision;
- Any other matters requiring the convening of a general meeting of Shareholders or any class of Shareholders;
- Any other matters which may require approval of the Board as stipulated under any relevant law, rule, regulation, or guideline, circular or directive of any relevant authority; and
- Any other matters requiring the Board's approval under the LOA of the Group. In the event of any inconsistency between any of the reserved matters herein and the Group's LOA, the Board Charter shall prevail.

## 17. CHARTER REVIEW

- Review the charter at least annually and update it as needed to respond to new risk-oversight needs and any changes in regulatory or other requirements;
- Review and approve the management-level risk committee charter, if applicable;
- Perform any other activities consistent with this charter, the Group's bylaws, and governing laws that the board or risk committee determines are necessary or appropriate;
- Submit the charter to the full board for approval.



## **TERMS OF REFERENCE OF AUDIT & RISK COMMITTEE**



## TERMS OF REFERENCE OF AUDIT & RISK COMMITTEE

### 1. CONSTITUTION

The Audit & Risk Committee ("ARC") shall be formed by the Board and the Committee members shall be appointed by the Board from amongst the Board members.

The functions and authority of the ARC extends to the Company and all its subsidiaries as well as joint venture and associate companies where management responsibility is vested on the Group.

### 2. OBJECTIVES

The objectives for the formation of the ARC are as follows:

- To ensure openness, integrity and accountability in the Group's activities so as to safeguard the rights and interests of the Shareholders;
- To provide assistance to the Board of Directors ("Board") in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices;
- To improve the Group's business efficiency, the quality of the accounting and audit function and strengthening of the public's confidence in the Group's reported results;
- To maintain, through regularly scheduled meetings, a direct line of communication between the Board, the External Auditors and Internal Auditors;
- To enhance the independence of the External Auditors and Internal audit functions;
- To create a climate of discipline and control to minimize or eliminate fraud;
- To review and deliberate on the Group's risks (whether financial and non-financial) which are identified and assessed by the Risk Management Function; and
- To report and make the necessary recommendations to the Board to mitigate the risks identified including risks relating to non-compliance of laws, rules, regulations, policies, processes and procedures.

### 3. AUTHORITY

The ARC has the authority to carry out the functions as stated in its Terms of Reference and report to the Board with recommendations.

The ARC shall have the authority to provide objective and independent views on any specific risks and also on the overall effectiveness of the internal control environment & risk management framework of the Group.





The ARC wherever necessary and reasonable for the performance of its duties, shall in accordance with the same procedures adopted by the Board and at the costs of the Group:

- Have authority to investigate any activity within its Term of Reference;
- Have the resources which are required to perform its duties;
- Have full and unrestricted access to any employee and information pertaining to the Group.

All documents of the Group shall be made accessible to the ARC and all employees are directed to co-operate with the request made by the ARC;

- Have full support of the Internal Audit Function and Risk Management Function, and any other units/departments/divisions/companies within the Group as it may deem necessary;
- Have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity for the Group; and
- Be able to engage independent professional advisers or other advisers and to secure attendance of other 3rd parties with relevant experience and expertise if it considers necessary.

#### **4. MEMBERSHIP**

Members of the ARC shall be appointed by the Board upon recommendation of the Nomination & Remuneration Committee.

The ARC shall comprise at least 3 members, all of whom shall be Non- Executive Director with a majority of them being Independent.

The ARC shall elect an Independent Director from amongst its members as its Chairman.

If the membership for any reason falls below three (3) members, the Board shall, within 3 months of that event, appoint such number of new members as may be required to fulfil the minimum requirement.

The appointment of ARC member terminates when the member ceases to be a Director, or as determined by the Board.

At least 1 member of the ARC must meet the criteria set under the Listing Requirements as follows:

- Must be a member of the Malaysian Institute of Accountants; or
- If he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least 3 years' working experience and:



- a) he/she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
- b) (ii) he/she must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- He/she must fulfil other requirements as prescribed by Bursa Malaysia.
- No alternate directors shall be appointed to the ARC.
- In compliance to the Malaysian Code on Corporate Governance 2017, the cooling-off period of 2 years before a former key audit partner of the Group could be appointed as a member of the ARC, shall be observed. Similar requirement shall be extended to 3<sup>rd</sup> parties inclusive of professional who have business dealings with the Group.
- In the event of any vacancy in the ARC resulting in the non-compliance of the Listing Requirements, the vacancy shall be fulfilled within 3 months.
- The ARC members shall collectively:
  - Have knowledge of the industries in which the Group's operates;
  - Have the ability to understand key business and financial risks and related controls and control processes; and
  - All members of the ARC shall also be financially literate i.e. have the ability to read and understand fundamental financial statements, including a Group's balance sheet, income statement, statement of cash flow and key performance indicators.

## 5. FUNCTIONS & DUTIES

The ARC shall carry out the following functions and duties:

### a. Financial Statements

- Review quarterly results and annual financial statements of the Group prior to the approval by the Board, focusing particularly on the following:
  - any changes in or implementation of major accounting policy changes;
  - major judgmental areas, significant and unusual events;
  - significant adjustments resulting from audit;
  - the going concern assumption; and
  - compliance with accounting standards and other legal requirements.
- Review, with the Group's Counsel, any legal matter that could have a significant impact on the Group's financial statements (as and when necessary).

### b. Internal Controls

- Assess the quality and effectiveness of the systems of internal control and the efficiency of the Group's operations, particularly those relating to areas of significant risks.
- Evaluate the process the Group has in place for assessing and continuously improving internal controls.



- Assess the internal process for determining and managing key risks other than those that are dealt with by other specific Board committees.
- Review the evaluation by the internal and external auditors of the Group's system of internal control and thereafter report the same to the Board.
- Review External Audit reports and Management's response and ensure that appropriate action is taken in respect of these reports and Audit Committee resolution.

c. Internal Audit

- Approve the Internal Audit Charter and review the adequacy of the scope, functions, competency and resources of the Internal Audit Function, and whether it has the necessary authority to carry out its work.
- Review the internal audit program and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the Internal Audit Function and of the ARC and thereafter report the same to the Board. Where actions are not taken within an adequate timeframe by Management, the ARC shall also report the same to the Board for its further action.
- Consider the major findings of internal audit and management's responses, monitor the implementation of any recommendations made therein and ensure effective coordination between the internal and external auditors.
- Where appropriate, supervise any special project or investigations considered necessary, to be carried out by Internal Audit Function, as and when necessary and consider the major findings of the internal investigations and Management's response.
- Approve any appointment or termination of senior staff members of Internal Audit Function.
- Review appraisals or assessments of performance of Internal Audit Function.
- Take cognizance of resignations of member of Internal Audit Function and provide the resigning member an opportunity to submit his reasons for resigning.

d. External Audit

- Recommend nomination of external auditors, audit fees & any question of resignation or dismissal of external auditors and report the same to the Board.
- Review & discuss with the external auditors, before the audit commences, the nature and scope of the audit, and discuss any significant problems that may be foreseen with the external auditors before the audit commences, and ensure co- ordination where more than 1 audit firm is involved, and ensure that the audit is carried out effectively and efficiently for the Group;
- Discuss problems & reservations arising from internal & final audits, including assistance given by employees and any matters the auditors may wish to discuss, in absence of Management or Executive Directors where necessary; and



- Review the external auditor's management letter and management's response including the status of the previous audit recommendations.

e. Related Parties Transactions

Review any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course that raises questions of management integrity.

f. Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of Management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Review the findings of any examinations by regulatory authorities.
- Obtain regular updates from Management and the Group's legal counsel regarding regulatory compliance matters.
- Review and consider any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- Review of the Internal controls and policies to ensure compliance with the Financial Services Act ("FSA2013") or the Islamic Financial Services Act ("IFSA 2013") and any other laws administered by Bank Negara Malaysia ("BNM"), and other regulations, guidelines or other instruments issued by Maunder the said laws including the Anti-Money Laundering & Anti-Terrorism Financing Act 2001.

g. Risk Management

- Provide oversight, guidance & direction to the Group's risk management function and processes.
- Recommend the Group's risk management policies, strategies & risk tolerance levels, & any proposed changes for the Board's consideration and approval.
- Ensure that the Management integrates the necessary risk management processes into all business processes of the Group.
- Evaluate the effectiveness of the Enterprise Risk Management framework, processes and support system to identify, assess, monitor and manage the Group's key risks.
- Review the risk identification and management process developed by the Management to confirm it is consistent with the Group's strategy and business plan.
- Review the Management's assessment of risk on a quarterly basis and provide quarterly updates to the Board.
- Enquire Management and the independent auditor about the exposure to such risks in relation to significant business, political, financial and control risks.

- Assess the steps/actions the Management has implemented or wish to implement to manage and mitigate identifiable risk, including the use of hedging and insurance.
- Deliberate on compliance related matters of the Group and review the effectiveness of systems for monitoring compliance with laws and regulations.
- Review findings, material issues or non-compliances highlighted by the regulatory authorities in relation to the regulated businesses of the Group.
- Deliberate, review and evaluate the existing compliance framework and to recommend measures for improvement by adopting the best practices.
- Perform any other roles and responsibilities as may be required by the Board from time to time and/or which are related to the objectives of the ARC.

h. Other Matters

- To review periodic reports from Management, the external auditors and the internal auditors to assess the impact of significant regulatory changes and accounting or reporting developments proposed by accounting and other bodies, or any significant matter that may have a bearing on the annual examination.
- To discuss problems and reservation arising from the internal audit, interim and final audits, and on matters that the internal and external auditors may wish to discuss, in absence of the Management where necessary.
- To report to the Board at least once a year, the activities of the ARC, including the number of meetings held during the year and the details of attendance of each member in respect of the meetings and a summary of the activities of the internal audit & risk management function.
- Where the ARC is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of Listing Requirements, the ARC must promptly report such matter to Bursa Malaysia.
- To carry out any other functions that may be mutually agreed by the ARC and the Board.

## 6. MEETINGS

- Meetings of the ARC shall be held at least once in every Quarter in a financial year of the Group.
- Upon the request of any member of the ARC, the Chairman of the ARC shall convene a meeting of the ARC to consider any matters brought up by the members.
- The quorum for a meeting of the ARC shall be 2 members, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other.



- In order to allow sufficient time for Directors to consider and better deliberate on matters that are tabled to the meeting, Board papers, relevant information and agenda items are to be circulated at least five (5) working days before each meeting to the Directors and permanent invitees of the meeting.
- In the absence of the Chairman, the members present shall elect an Independent Non-Executive Director from amongst the members present to be chairman of the meeting.
- The meeting of the ARC shall be governed by the provisions contained in the Constitution of SDHB in regulating meetings and proceedings of Directors unless otherwise provided for in this Terms of Reference.
- The meetings of the ARC shall be attended by the Group Chief Executive Officer, which in his absence, shall be replaced by the Group Chief Financial Officer and shall be attended by Head of Internal Audit and a representative of the External Auditors (as and when necessary).
- Other Directors and employees who attend any particular ARC meeting shall attend only at the ARC's invitation, specific to the relevant Meeting and they shall not have any voting rights.
- The ARC may request other Directors, members of Management, counsels and consultants as applicable to participate in the meetings, as and when necessary.
- The ARC shall meet the External Auditors without the presence of any Executive board members at least twice a year.
- A Committee member shall excuse himself/herself from the meeting during discussion or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for the member. Where this cause insufficient directors to make up a quorum, the ARC has the right to appoint another director(s) which meets the membership criteria.
- ARC meeting agendas shall be the responsibility of the ARC Chairman with input from the ARC members. The Chairman may also ask Management and others to participate in this process.
- Unless a meeting is called on a short notice basis, the agenda for each meeting shall be circulated at least three (3) full working days before each meeting, to the ARC members and all those who are required to attend the meeting.
- Written materials including information requested by the ARC from Management, internal auditors (from the Group) and external auditors shall be received together with the agenda for the meetings or in a separate later addendum prior to the meeting.
- Any matter to be voted upon shall be decided by a majority of the votes cast on the question.



- The Secretary of the ARC shall be the Secretary of the Group or any other person as the Committee may decide.
- The ARC shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the ARC.
- Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held, or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.
- The minutes of the ARC meeting shall be available to all Board members through the Secretary of the Group.
- The ARC, through its Chairman, shall report matters that are deliberated at AMC meeting(s) and make the necessary recommendations (if necessary) to the Board for the Board's deliberation and decision.

## **7. DISSOLUTION**

The composition of ARC shall be dissolved upon recommendation and decision of the Board.



## **TERMS OF REFERENCE OF NOMINATION & REMUNERATION COMMITTEE**





## TERMS OF REFERENCE OF NOMINATION & REMUNERATION COMMITTEE

### 1. CONSTITUTION

The Nomination & Remuneration Committee ("NRC") shall be formed by the Board and the Committee members shall be appointed by the Board from amongst the Board members.

The functions and authority of the NRC extends to the Group and all its subsidiaries as well as joint venture and associate companies where management responsibility is vested on the Group.

### 2. OBJECTIVES

The objectives for the formation of the NRC are as follows:

- To review the Board composition and recommend to the Board appointment of new Directors of the Group and Board Committees.
- To evaluate the effectiveness of the Board, Board Committees and contributions of each individual Director.
- To review the GCEO's, Executive Director's and Group Chief Level Officers' objectives and goals and the assessment of performance of these persons against those benchmarks.
- To review the performance evaluation of Group Chief Level Officers namely the Group Chief Operating Officer, Group Chief Corporate Services and Group Chief Financial Officer ("Group Chief Level Officers").
- To determine the level and composition of remuneration for the GCEO and Executive Directors (if any) so as to ensure that the Group attracts and retains the GCEO and Group Chief Level Officers of the appropriate caliber, experience and quality needed to run the Group successful. The level and composition of the remuneration should be structured so as to link rewards with corporate and individual performance.
- To develop policies, practices and recommend proposals appropriate to facilitate the recruitment and retention of the GCEO, Executive Directors and Group Chief Level Officers.

In carrying out the duties, members of the Committee shall review the quantum of staff bonus for the Company and the Group and shall be brought to the Board for its approval. The Committee shall review other remuneration for the subsidiaries' staff except for bonus, and shall be approved by the Board of the respective subsidiaries.



### 3. AUTHORITY

The NRC has the authority to carry out the functions as stated in its Terms of Reference and report to the Board with recommendations.

The NRC wherever necessary and reasonable for the performance of its duties, shall in accordance with the same procedures adopted by the Board and at the cost of the Group:

- Have the resources which are required to perform its duties;
- Have full and unrestricted access to any employee and information pertaining to the Group; and
- Be able to engage independent professional advisers or other advisers and to secure attendance of outsiders with relevant experience and expertise if it considers this necessary.

### 4. MEMBERSHIP

The members of the NRC shall be appointed by the Board and shall consist of not less than 3 members. If the membership for any reason fall below 3 members, the Board of Directors shall, within 3 months of that event, appoint such number of new members as may be required to fulfil the minimum requirement.

The appointment of a NRC member terminates when the members ceases to be a director, or as determined by the Board.

In the event of equality of votes, the Chairman shall have a casting vote.

### 5. FUNCTIONS & DUTIES

- For Nominations, the NRC shall:
  - Consider and recommend to the Board suitable candidates for appointment as Directors, GCEO and Group Chief Level Officers (if any) in the Group and consider the following aspects when considering new appointments on the Board:
    - The candidates' skills, knowledge, expertise, experience, professionalism and integrity; and
    - In the case of candidates for the position of Independent Non-Executive Directors, the ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
  - Consider candidates for directorships proposed by the GCEO and, within the bounds of practicability, by any other senior executive or any Director or shareholder.
  - Propose to the Board the membership and Chairmanship of Board Committees.

- Review annually the Board structure, size, balance and composition to ensure that the Board comprises a majority of Non-Executive Directors and is in compliance with the Listing Requirements of Bursa Securities.
- Review annually the performance of the Board members, its committees and subsidiaries as well as the appropriate mix of skills and experience and other qualities of the Board members as well as the GCEO, including the core competencies which Non-executive Directors shall bring to the Board and other qualities to function effectively and efficiently.
- Assess annually the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director, including Independent Non-Executive Directors, as well as the GCEO and Group Chief Level Officers (if any) and the Committee shall ensure that all assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented.
- Consider and recommend a policy regarding the period of service of the Executive and Non-Executive Directors of the Group and its subsidiaries.
- Consider and recommend any other measure to upgrade the effectiveness of the Board, the committees and the boards of subsidiaries.
- Consider and recommend solutions on issues of conflicts of interest affecting the Group's directors' and subsidiaries.
- Recommend the appointment of nominees of the Group to the boards of the subsidiaries. The Chairman is given the mandate to finalize and recommend nominee directors of the Group to the respective board of the subsidiaries.
- Review and recommend to the Board the succession plan of the Chairman of the Board, the GCEO and the Group Chief Level Officers.
- Provide for adequate training and orientation for new directors with respect to the business, structure and management of the Group as well as the expectations of the Board with regards to their contribution to the Board and Group.
- Recommend that all Board appointees undergo the necessary training program prescribed by the applicable statutory and regulatory bodies in order to broaden their perspectives and keep abreast with developments in the market place and with changes in new statutory and regulatory requirements.
- Recommend Directors who are retiring (by rotation) for re-election at the Group's Annual General Meeting(s).



- Deliberate and recommend any termination of membership of any Director of the Group (if necessary) due to appropriate reasons in accordance with the relevant laws and regulations.
- Perform such other assignments as may be delegated by the Board.
- For Remuneration, the NRC shall:
  - Recommend to the Board performance contracts and key performance indicators ("KPI") for the directors, the GCEO and the Group Chief Level Officers.
  - Recommend general remuneration policy, framework and structure of the Group, the directors, the GCEO and the Chief Level Officers as well as to review any changes to the same as and when necessary. The Committee may obtain independent professional advice and any other information necessary in determining the framework. This would include establishing a formal and transparent procedure in developing a policy on the remuneration and benefits of the directors, the GCEO and the Group Chief Level Officers.
  - Implement a formal appraisal process for the evaluation of the effectiveness of the Board as a whole, the committees and the individual contribution of each director.
  - Review the performance of the directors, the GCEO and the Group Chief Level Officers, and to provide recommendations to the Board on their remuneration.
  - Recommendation of remuneration for the directors, the GCEO and the Group Chief Level Officers shall be based on the following considerations:
    - Levels of remuneration structure are sufficient to attract and retain the individuals needed to run the Group successfully at the Board as well as the GCEO and the Group Chief Level Officers;
    - Links rewards to both the Group and individual performances, responsibility and expertise;
    - Aligns the interests of the Directors, the GCEO, the Group Chief Level Officers and the stakeholders with the business strategy and long term objectives of the Group; and
    - Is based on information obtained from independent remuneration sources within similar industry or market comparability.
  - Recommend to the Board on the Group's framework of remuneration and its cost and to determine on behalf of the Board, specific remuneration packages and conditions of employment (including pension rights) for the directors, the GCEO and the Group Chief Level Officers.



- Recommend to the Board compensation commitments / severance payments for the directors, the GCEO and the Group Chief Level Officers in the event of termination of the employment / service contracts by the Group.
- Recommend to the Board, bonus payment for the directors, the GCEO and the Group Chief Level Officers which should be made based on their respective performance relative to the KPI set.
- Consider other matters as may be referred to the Committee by the Board.
- Recommend to the Board of Directors for endorsement, the proposed appointment of Directors at the Group's active and operating subsidiaries, associate companies and investee companies together with their remuneration packages except in the case where the proposed appointed Directors are employees.
- Endorse the proposed appointment of Directors at the Group's active and operating wholly owned subsidiaries in the case where the proposed appointed Directors are employees of the Group and for the Board of Directors to thereafter be informed of the proposed appointment.
- To carry out such other assignments as may be delegated by the Board.

## **6. MEETINGS**

- Meetings of the NRC shall be held not less than twice in a financial year of the Group. The GCEO shall always be invited to attend meetings of the NRC save for meeting(s) convened to deliberate matters pertaining to the GCEO.
- Upon the request of any member of the NRC, the Chairman of the NRC shall convene a special meeting of the NRC to consider any matter brought up by the Member.
- The quorum for a meeting of the NRC shall be two (2) members. In the absence of the Chairman, the members present shall elect a chairman for the meeting from amongst the members present.
- In order to allow sufficient time for Directors to consider and better deliberate on matters that are tabled to the meeting, Board papers, relevant information and agenda items are to be circulated at least five (5) working days before each meeting to the Directors and permanent invitees of the meeting.
- The meetings of the NRC shall be governed by the provisions contained in the Constitution of the Group for regulating the meetings and proceedings of the directors unless otherwise provided for in this Terms of Reference.



- The Committee may request other directors, members of Management, counsels and consultants as applicable to participate in Committee meetings, as and when necessary.
- A committee member shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to a situation of an actual or perceived conflict of interest for the member. Where this cause insufficient directors to make up a quorum, the NRC has the right to appoint another Director, which meets the membership criteria.
- The Secretary of the NRC shall be the Group Secretary of the Group or any other person as the Committee may decide.
- The NRC meeting agendas shall be the responsibility of the NRC Chairman with input from the NRC Committee members. The Chairman may also ask Management and others to participate in this process.
- Unless a meeting is called on a short notice basis, the agenda for each meeting shall be circulated at least five (5) full working days before each meeting to the NRC members and all those who are required to attend the meeting. Written materials including information requested by the NRC from Management shall be received together with the agenda for the meetings.
- Minutes of the NRC meetings shall be tabled at the meeting of the Board. When presenting any recommendation to the Board, the NRC will provide such background and supporting information as may be necessary for the Board to make an informed decision.
- The NRC shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the NRC. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes of the NRC meeting shall be available to all Board members.
- The NRC, through its Chairman, shall report matters to the Board highlighted to the NRC after each meeting.

## 7. DISSOLUTION

The composition of NRC shall be dissolved upon recommendation and decision of the Board.



## **TERMS OF REFERENCE OF INVESTMENT COMMITTEE**



## TERMS OF REFERENCE OF INVESTMENT COMMITTEE

### 1. CONSTITUTION

The Investment Committee ("IC") shall be formed by the Board and the Committee members shall be appointed by the Board from amongst the Board members.

The functions and authority of the IC extends to the Group and all its subsidiaries as well as joint venture and associate companies where management responsibility is vested on the Group.

### 2. OBJECTIVES

The primary purpose of the Investment Committee is to recommend to the Board and review all significant investments made and to be made by the Group.

Includes and is not limited to merger & acquisitions, new partnerships, divestments and large capital expenditure projects.

### 3. AUTHORITY

- The Board confers full powers to the Investment Committee to:
  - Establish, review and recommend to the Board the overall investment policies, guidelines and portfolio requirements of the Group.
  - Recommend to the Board the fund-raising activities of the Group.
  - Recommend to the Board the new investments and disposals of significant value for the Board's approval.
  - To approve the use of funds for investments, mergers & acquisitions and other related matters.
- The Investment Committee may seek advice or obtain independent professional assistance from any person or firms who has the relevant experience and required expertise, if the Investment Committee so requires, to assist the Investment Committee with its deliberation.
- The Investment Committee shall approve investments of RM10 million to RM30 million per transaction.
- The Investment Committee shall recommend investments in excess of RM30 million per transaction to the Board for approval.
- The Board confers full powers to the Investment Committee to:
  - Approve purchase and award of contracts of fixed assets for an amount of RM10 million up to RM30 million; and



- In the event the approval limits of the Committee under the LOA are amended, modified or varied by the Board of Directors of the Group, such amendments, modifications or variations shall be deemed inserted herein whereupon this Terms of Reference shall be read and be construed subject to and in accordance with the said approved amendments, modifications or variations.

#### **4. MEMBERSHIP**

- The Committee shall consist at least 3 members with minimum 1 independent member, all of whom shall be duly appointed by the Board.
- The Committee shall be elected among members of the Board of Directors of the Group, with 2 of the members being independent members. The Board may also appoint any other persons with relevant qualifications and experience as the Board thinks appropriate to be a member of the Committee.
- The Chairman of the Committee shall be appointed by the Board.
- Subject to the review by the Board, the term of appointment of the members of the Committee shall be for a period of 1 year each or such other period as the Board in its discretion shall deem fit.
- In the event the number of the committee members is reduced to less than 3 due to any reason whatsoever, the Board will appoint a new member within 3 months thereof.
- The Group Secretary shall be the Secretary of the Committee, and shall have the following responsibilities:
  - Ensure meetings are arranged and held accordingly;
  - Assist the Investment Committee Chairman in planning the Committee's activities;
  - Draw up meeting agendas in consultation with the Investment Committee Chairman, maintain the minutes;
  - Ensure structured communication between the Board and the Investment Committee; and
  - Ensure Investment Committee recommendations presented to the Board are supported by papers, including Report of the Investment Committee or minutes that explains the rationale for the Investment Committee's recommendations.

## 5. FUNCTIONS & DUTIES

The main function of the Investment Committee is to assist the Board of Directors in performing its duties and discharging its responsibilities in evaluating the Group's investment proposals.

- The scope and functions of the Investment Committee are set out below:
  - To review annual business plans and budgets for recommendation to the Board.
  - To evaluate proposals on new investments and divestments of significant value to ensure consistency with the Global Strategy and returns in excess of a hurdle rate adjusted for risk and performance premium
  - To approve investments up to a prescribed amount as determined by the Board from time to time, beyond which a recommendation will be made to the Board.
  - To review financial investment portfolios of the Group. This includes and is not limited to existing and new merger & acquisitions, new partnerships, divestments and large capital expenditure projects.
  - To oversee current and future capital and financial resource requirements
  - To monitor the fund-raising activities of the Group.
  - To conduct the annual performance evaluation of the Group's investment activities.
  - To review and recommend to the Board of Directors the foreign exchange and hedging policies and procedures.
  - To implement other necessary duties as mutually agreed by the Investment Committee and the Board of Directors or any other authorities which is empowered by law or regulated by any Government Authority.
  - To review and update the Terms of Reference of the Investment Committee from time to time and seek the Board's approval in respect of such revision of the Terms of Reference.



## 6. MEETING

- The Chairman shall convene and the Investment Committee shall meet as and when the circumstances dictate.
- At least 2 members must be present during each meeting to form a quorum necessary to transact any business of the Investment Committee. At every Investment Committee meeting, at least two members present must be the representatives of the Board.
- In order to allow sufficient time for Directors to consider and better deliberate on matters that are tabled to the meeting, Board papers, relevant information and agenda items are to be circulated at least five (5) working days before each meeting to the Directors and permanent invitees of the meeting.
- If the Chairman of the Investment Committee is not present at the Investment Committee, the members present shall elect a Chairman from among themselves.
- Notice of Meeting will be distributed to the Investment Committee members at least 1 week prior to the scheduled meeting and the Chairman of the Investment Committee shall ensure that proper agenda is prepared for the meeting.
- The Secretaries will distribute the minutes of meeting to all members of the Investment Committee.
- The Minutes of Meeting shall be tabled to Board for information. The Minutes of Meeting and conclusions of the Investment Committee meetings should be minutes and the Minutes so entered into the Minutes Register kept by the Group Secretary of the Group.
- Reproduction of any part of the Minutes of Meetings can only be through/by the Secretary.
- The Investment Committee may invite any persons, including but not limited to other members of the Board and key management personnel, to attend any of its meetings as the Investment Committee shall deem fit and necessary.

## 7. DISSOLUTION

The composition of IC shall be dissolved upon recommendation and decision of the Board.

