

CONFIDENTIAL



SERBA DINAMIK HOLDINGS BERHAD

TERMS OF REFERENCE OF INVESTMENT COMMITTEE (“IC”)

(Approved by the Board of Directors on 20 May 2020)

Prepared by:



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1. CONSTITUTION

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 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 IC 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 IC 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.
- IC may seek advice or obtain independent professional assistance from any person or firms who has the relevant experience and required expertise, if IC so requires, to assist IC with its deliberation.
- IC shall approve investments of RM10 million to RM30 million per transaction.
- IC shall recommend investments in excess of RM30 million per transaction to the Board for approval.
- The Board confers full powers to IC 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 the Group, such amendments, modifications or variations shall be deemed inserted herein whereupon this TOR 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 three (3) members with minimum one (1) independent member, all of whom shall be duly appointed by the Board.
- The Committee shall be elected among members of the Board of the Group, with two (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 one (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 three (3) due to any reason whatsoever, the Board will appoint a new member within three (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 IC Chairman in planning the Committee's activities;
 - Draw up meeting agendas in consultation with the IC Chairman, maintain the minutes;
 - Ensure structured communication between the Board and IC; and
 - Ensure IC recommendations presented to the Board are supported by papers, including Report of IC or minutes that explains the rationale for IC's recommendations.

5. FUNCTIONS & DUTIES

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

- The scope and functions of IC 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 the foreign exchange and hedging policies and procedures.
- To implement other necessary duties as mutually agreed by IC and the Board or any other authorities which is empowered by law or regulated by any Government Authority.
- To review and update the TOR of IC from time to time and seek the Board's approval in respect of such revision of the TOR.
- The Committee shall uphold integrity and ethical in discharging its duties.
- The Committee shall maintain confidentiality of all matters discussed in IC meetings or matters concerning the investment at all times.

6. MEETING

- The Chairman shall convene and IC shall meet as and when the circumstances dictate.
- At least two (2) members must be present during each meeting to form a quorum necessary to transact any business of IC. At every IC meeting, at least two (2) 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 IC is not present at IC, the members present shall elect a Chairman from among themselves.
- Notice of Meeting will be distributed to IC members at least one (1) week prior to the scheduled meeting and the Chairman of IC shall ensure that proper agenda is prepared for the meeting.
- The Secretaries will distribute the minutes of meeting to all members of IC.
- The Minutes of Meeting shall be tabled to Board for information. The Minutes of Meeting and conclusions of IC 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.
- IC 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 IC shall deem fit and necessary.

7. DISSOLUTION

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