

SCG Integrated Management System (SIMS)



SUNWAY CONSTRUCTION GROUP BERHAD
Registration No. 201401032422 (1108506-W)

TERMS OF REFERENCE OF COMPLIANCE FUNCTION TEAM

REFERENCE NO.: SCG/GS07

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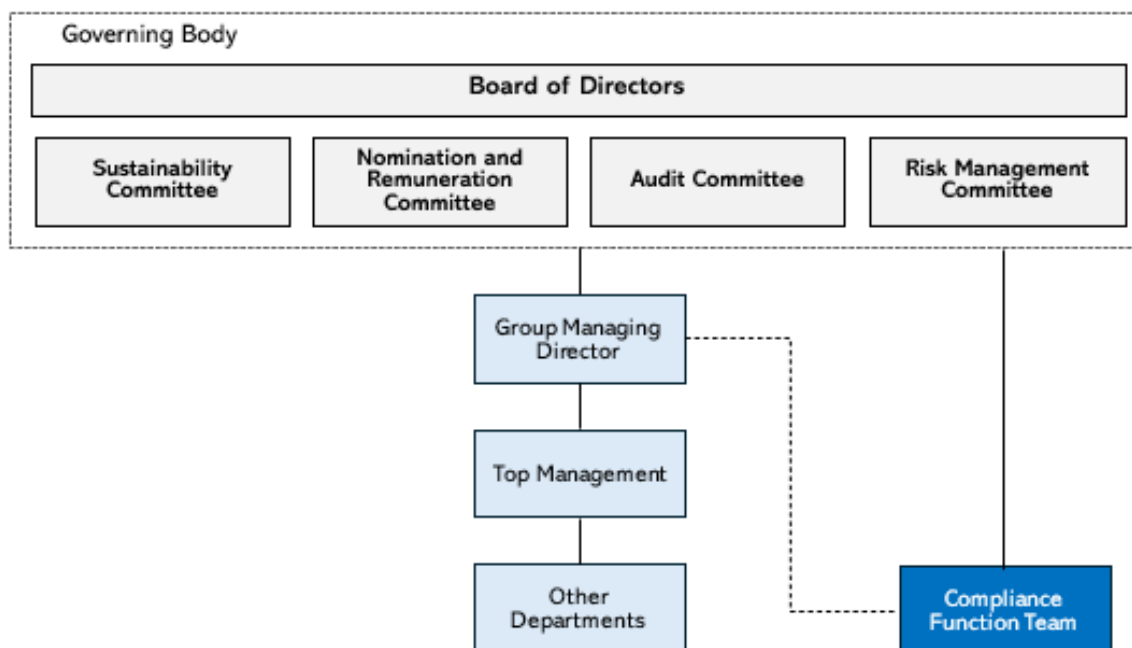
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1.0 INTRODUCTION

The Board of Directors is the governing body responsible for demonstrating leadership and commitment with respect to the implementation of the Anti-Bribery Management System (ABMS) under ISO 37001:2016 and certification was obtained on 25 May 2025.

The Compliance Function Team (CFT) was established in 2025 as part of its efforts to implement the ABMS. The functions of the CFT are outlined in the Anti-Bribery and Anti-Corruption (“ABAC”) Manual to ensure implementation of the ABMS.

The following is the organisation structure for the Compliance Function Team:



2.0 COMPOSITION

2.1 The CFT shall be nominated by the Top Management and approved by the Board of Directors. The CFT shall comprise of not less than seven (7) compliance officers.

The compliance officers are representatives from the following departments;

- a) Compliance
- b) Legal
- c) Supply Chain Contract Management
- d) Finance
- e) Human Resources
- f) Sustainability

- 2.2 The Head of Compliance (HOC) shall be from one of the compliance officers and shall be responsible for the control and direction of the CFT.
- 2.3 The HOC, or a delegated officer, shall attend all meetings to present audit reports, recommendations, to follow up on decisions in any related matters and to perform any ancillary duties. In the HOC's absence, the delegated officer may perform the duties of the HOC, without limiting the HOC authority to exercise them at any time.
- 2.4 The CFT shall be adequately resourced and have the appropriate competence, status, and authority to ensure the implementation of the ABAC policy.
- 2.5 The CFT to obtain relevant professional certificates in compliance such as CelO (Certified Integrity Officer) and CFE (Certified Fraud Examiner).
- 2.6 In the event of any vacancy in the CFT, the Top Management shall within three (3) months nominate a replacement for the approval of the Board of Directors.
- 2.7 The Board of Directors shall have the discretion as it deems fit to rescind or to approve any person in the CFT.
- 2.8 Any compliance officer may resign from the CFT with at least one (1) month prior written notice. Until a new replacement compliance officer is appointed, the Top Management shall appoint an acting compliance officer.

3.0 COMPLIANCE FUNCTION TEAM (CFT) CORE FUNCTION

- 3.1 The CFT shall be responsible for developing and updating the ABAC initiatives and ensuring adherence of executed transactions to governance documents.

The core functions of the CFT are as described below:

3.1.1 Governance

- a) Update all relevant policies within the ABMS once in every three (3) years, or earlier if required, by changes in laws, regulations, standards, or circumstances to ensure its continued relevance.
- b) Coordinate the improvement of the Organisation's relevant policies.
- c) Develop ABAC plan outlining the initiatives to be carried out on an annual basis.
- d) Evaluate the progress and effectiveness of the ABAC initiatives.

- e) Implement a register for monitoring of the required actions to prevent recurrence.

3.1.2 Integrity

- a) Plan, implement, and coordinate integrity strengthening initiatives in Organisation.
- b) Provide adequate and appropriate ABAC training and awareness to employees and associates.
- c) Report on the ABAC performance and compliance efforts at quarterly intervals or on *ad hoc* basis.
- d) Review compliance audit report to identify if the implemented controls or compliance initiatives is adequate.
- e) Assess and evaluate of any conflict of interest with associates upon notification.
- f) Review the results of the annual associates' performance assessment categorised as high risk in relation to ABAC.
- g) Assess disclosed convictions or non-compliances by tenderers during tender submission upon notification.
- h) Review consolidated tracker from BUs to monitor gifts, entertainment and hospitality given and/or received.

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4.0 Rights and Authority

- 4.1 The CFT may engage and authorise expenses for advisors, consultants, professionals, to conduct investigations (including irregularities, non-compliances, wrongdoings and any other specific assessment) as the CFT deems necessary.
- 4.2 The CFT may make recommendations to the Risk Management Committee regarding appropriate action resulting from any assessment.
- 4.3 The CFT will have access to all books, records, facilities and personnel of the Organisation necessary for the CFT to discharge its duties and responsibilities.

5.0 Meetings

5.1 The CFT shall meet monthly. Additional meetings may be called at any time by any compliance officer.

5.2 The quorum for the CFT meeting shall be by the majority of CFT.

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6.0 Reporting

6.1 The HOC or any delegated compliance officer of the CFT;

a) Shall have direct access to the Risk Management Committee and Board of Directors; and

b) Shall update the Risk Management Committee on a quarterly basis and if so required.

7.0 Review

7.1 This terms of reference shall be reviewed regularly, once in every three (3) years, or earlier if required, by changes in laws, regulations, standards, or circumstances to ensure its continued relevance. Any amendments must be approved by the Risk Management Committee and communicated to employees and stakeholders.