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# **SUNWAY**

## **CONSTRUCTION**

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

# **BOARD CHARTER**

Last Updated:  
28 March 2025

COMMITTED TO  
**SUSTAINABLE  
DEVELOPMENT GOALS**



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*This Board Charter is approved by the Board of Directors on 28 March 2025.*

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## 1. INTRODUCTION

1.1. The Board of Directors ("**Board**") of Sunway Construction Group Berhad ("**SunCon**" or "**Company**") regards corporate governance as vitally important to the success of the Company's business and is unreservedly committed to applying the principles necessary to ensure that the following principles of good governance is practised in all of its business dealings in respect of its shareholders and relevant stakeholders:

- The Board is the focal point of the Company's corporate governance system. It is ultimately accountable and responsible for the performance and affairs of the Company.
- All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.
- All Board members are responsible for achieving a high level of good governance.
- This Board Charter shall constitute, and form, an integral part of each Director's duties and responsibilities.

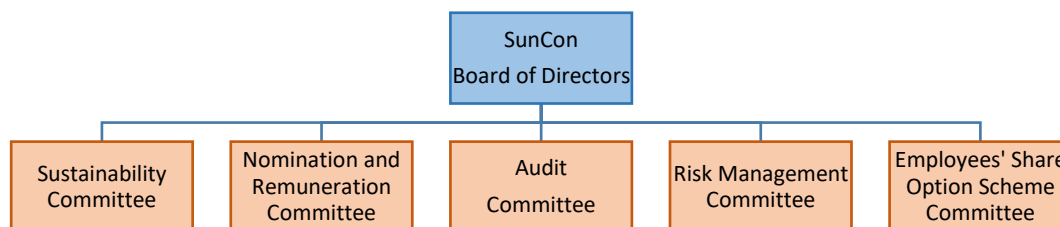
1.2. This Board Charter is subject to the provisions of the Companies Act 2016 ("**CA 2016**"), the Constitution of the Company, the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Malaysian Code on Corporate Governance ("**MCCG**") and any other applicable law or regulatory requirements.

## 2. OBJECTIVES

2.1. The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and to ensure that the principles and practices of good corporate governance are applied in all their dealings in respect of, and on behalf of the Company.

In pursuit of the ideals in this Board Charter, the intention is to exceed "minimum legal requirements" with due consideration to recognised standards of best practices locally and internationally.

2.2. The governance structure of the Board is as follows:



### 3. THE BOARD

#### 3.1. Role

3.1.1. The Board is in charge of leading and managing the Company in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Company in accordance with the CA 2016. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Company are managed. The Board sets the Company's values and standards and ensures that its obligations to its shareholders and stakeholders are understood and met.

3.1.2. Duties of the Board include establishing the corporate vision and mission as well as the philosophy of the Company, setting the aims of the Management and monitoring the performance of the Management.

3.1.3. The main functions and roles of the Board are as follows:

- Setting the vision, mission, objectives, goals and strategic plans for the Group with a view to maximising shareholders' value as well as ensuring long term sustainability of the Group's performance.
- Ensuring the strategic plans of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.
- Approving and reviewing the Group's strategies, budgets, plans and policies, including acquisitions, divestments, restructuring, funding and major capital expenditure as well as monitoring the implementation thereof by Management.
- Overseeing the conduct of the Group's businesses as well as supervising and assessing Management's performance to determine whether the businesses are properly managed to achieve its targeted returns.

- Identifying principal risks of the Group and ensuring the implementation of appropriate systems to mitigate and manage these risks. The Board through the Risk Management Committee (“RMC”), sets, where appropriate, objectives, performance targets and policies to manage the key risks faced by the Group.
- Setting the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks including sustainability risks relating to environment, social and governance.
- Ensuring that the senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of the Board and senior management.
- Human resources planning and development.
- Reviewing the adequacy and integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

3.1.4. The Board shall also review through the AC any conflict of interest or potential conflict of interest (collectively, “COI”) that have arisen, continue to exist or may arise within the Group, including but not limited to transactions, procedures or courses of conduct that raise concerns about the integrity of management, together with the measures taken to resolve, eliminate, or mitigate the COI, and disclose them in the AC report.

3.1.5. The Board reserves full decision-making power, amongst other, on the following matters:

- COI issues relating to substantial shareholders, directors or management;
- Material acquisitions and disposals of undertakings not in the ordinary course of business;
- Material investments in capital projects;
- Material bid/tenders for construction projects;
- Oversea ventures;
- Annual business plan and budgets (including major capital commitments);
- Material corporate or financial exercise/restructuring;
- Declaration of dividend;
- Directors’ Fees and allowances;
- Annual and interim financial results;
- Management approval authority limits;
- Donation above RM100,000.00; and
- Corporate Governance issues and related policies.

### 3.2. Composition and Board Balance

- 3.2.1. The Board shall consist of qualified individuals with diverse experiences, backgrounds and perspectives. The composition and size of the Board is such that it facilitates the making of informed and critical decisions.
- 3.2.2. The size of the Board shall be subjected to the limit stipulated in the Constitution of the Company which provides that unless otherwise determined by the Company in a general meeting, the number of Directors shall not be less than two (2) Directors. Subject to the Listing Requirements, at least two (2) directors or one-third (1/3) of the Board, whichever is higher, shall be Independent Directors and one (1) director is a woman.
- 3.2.3. The Board through the Nomination and Remuneration Committee (“**NRC**”), shall take steps to comply with the MCCG’s recommendation whereby, the composition of the Board should comprise a majority of Independent Directors and at least 30% women directors, for the purpose of oversight of management and also to meet the gender diversity requirement.
- 3.2.4. In the event of any vacancy in the Board, resulting in non-compliance with 3.2.2, the Company must fill the vacancy within three (3) months.
- 3.2.5. If, on any matter discussed at a board meeting, any Director holds views contrary to those of any of the other Directors, the Board minutes shall clearly reflect this.
- 3.2.6. The composition and size of the Board are reviewed from time to time ensure its appropriateness.

### 3.3. Role of Individual Directors

- 3.3.1. Directors shall at all times exercise his powers in accordance with the CA 2016, for a proper purpose and in good faith in the best interest of the Company.
- 3.3.2. Directors shall devote sufficient time to prepare for and attend Board and/or Board Committee meetings as well as to attend continuous training programmes/ briefings.

### 3.4. Senior Independent Director and Independent Directors

- 3.4.1. The Board may appoint a Senior Independent Director (“**SID**”) to whom shareholders’ concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or the Group Managing Director have failed to resolve them. The roles of SID include:
  - Acts as a sounding Board for the Chairman;
  - Serves as an intermediary for other Directors when necessary;
  - Acts as the point of contact for shareholders and other stakeholders; and
  - Provides leadership support and advice to the Board in the event the

Board is undergoing a period of stress.

- Together with the NRC, to lead the succession planning and appointment of Board members.
- Leads the annual review of Board effectiveness, ensuring that the performance of each individual director is assessed objectively and holistically.

3.4.2. The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.

3.4.3. The Independent Directors help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

3.4.4. The views of the Independent Directors carry significant weight in the Board's decision-making process.

3.4.5. The tenure of service of Independent Directors shall be limit to a maximum period of twelve (12) years or upon reaching the age of eighty (80) years, whichever is earlier. An Independent Director who has served the Company for twelve (12) years may continue to serve as a Non-Independent Director, subject to the recommendation of the NRC and the approval of the shareholders.

3.4.6. The Board, through the NRC, shall assess the independence of the Independent Directors annually, taking into consideration interests disclosed by the Independent Directors and having regard to the criteria for assessing the independence of the Directors under the annual Board Assessment.

### **3.5 Appointments**

3.5.1. The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the NRC.

3.5.2. New Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Company.

3.5.3. A fit and proper assessment, taking into consideration of the fit and proper criteria set out in the Fit and Proper Policy of the Company, shall be conducted on any person identified to be appointed as a Director prior to his/her appointment.

3.5.4. In assessing a person's fitness and propriety, the Board through the NRC, shall consider all relevant factors based on the following considerations:

- (a) Character and integrity;
- (b) Competence and capability; and
- (c) Time and commitment.

3.5.5. Directors are required to seek prior consent from the Chairman of the Board, before they can accept any new directorship in public listed companies outside the Group. In the event it involves the Chairman of the Board, then the matter shall be decided by the Chairman of the NRC.

3.5.6. In identifying candidates for appointment of Directors, the Board shall not solely rely on the recommendations from existing Board members, Management or major shareholders and shall ensure that each appointment meets the procedures set out in the Policy on Selection and Assessment of Members of the Board and Board Composition of the Company.

3.5.7. The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors (including the alternate directors) are properly executed.

### **3.6 Directors' Continuous Education Training**

3.6.1. In addition to the following Mandatory Accredited Programme (“**MAP**”) as required by Bursa Securities, Board members are also encouraged to attend seminars, training programmes organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with the relevant changes in laws, regulations and the business environment:

- (a) MAP Part I in relation to a Director's roles, duties and liabilities; and
- (b) MAP Part II in relation to sustainability and the related roles of a Director.

The Board will assess the training needs of the Directors and disclose in the Integrated Annual Report the trainings attended by the Directors.

3.6.2. The Board is also constantly updated by the Company Secretary on changes to the relevant guidelines on the regulatory and statutory requirements.

### **3.7 Re-election**

3.7.1. The Company's Constitution provides that one-third (1/3) of the Board is subject to retirement by rotation at each Annual General Meeting. Each Director shall retire once at least in each three (3) years but shall be eligible for re-election. The Directors to retire in each year are those who have been longest in office since their last election or appointment.

3.7.2. A fit and proper assessment shall be conducted on the retiring Directors prior to their proposed re-election as a Director. The re-election of a Director should be contingent upon satisfactory evaluation of the Director's performance and contribution to the Board.

3.7.3. The Board should ensure shareholders have the information they require to make an informed decision on the appointment and re-appointment of a director. The Board should also provide a statement as to whether it

supports the appointment and re-appointment of the candidate and the reason why.

### **3.8 Board Meetings and Supply of Information**

- 3.8.1. The Board meets regularly at least once every quarter to facilitate the discharge of their responsibilities e.g. to review financial, operational and business performances. Members of the Management who are not Directors may be invited to attend and speak at meetings on matters relating to their sphere of responsibility.
- 3.8.2. Notices and agenda of meetings duly endorsed by the Chairman together with the relevant board papers are normally given at least one (1) week prior to the meetings for the Board to study and evaluate the matters to be discussed.
- 3.8.3. The board papers provided include inter alia, the financial results, business plan and budget, progress report on the Company's developments, minutes of meetings of Board Committees, regulatory/statutory updates and other operational and financial issues for the Board's information and/or approval.

## **4. CHAIRMAN AND GROUP MANAGING DIRECTOR**

There is a balance of power and authority between the Chairman and the Group Managing Director with a clear division of responsibility between the running of the Board and the Company's businesses respectively. The positions of Chairman and Group Managing Director are separated and clearly defined.

### **4.1. Chairman**

4.1.1. The Chairman is responsible for:

- (a) providing leadership to the Board and ensuring the Board's effectiveness in discharging its fiduciary duties;
- (b) ensuring integrity and effectiveness of the governance process of the Board;
- (c) leading the Board in setting the visions, values and standards of the Company;
- (d) maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
- (e) setting the Board agenda and ensuring the provision of accurate, timely and clear information to Directors;
- (f) the developmental needs of the Board;
- (g) ensuring the smooth functioning of the Board and the governance structure, and inculcating positive culture in the Board;

- (h) ensuring that procedures and processes are in place to facilitate effective conduct of business by the Board;
- (i) leading the Board in the adoption and implementation of good corporate governance practices in the Group;
- (j) ensuring effective communication with shareholders and relevant stakeholders; and
- (k) ensuring that members of the Board work together with the Management in a constructive manner to address strategies, business operations, financial performance and risk management issues.

4.1.2. The Chairman chairs Board meetings and ensures the following:

- (a) All relevant issues are on the agenda of Board meetings;
- (b) Adequate time is available for the Board to debate thoroughly on strategic and critical issues;
- (c) Board receives the necessary management reports relating to the Company's business on a timely basis; and
- (d) All Directors are able to participate openly in discussions at Board meetings.

4.1.3. The Chairman ensures that the Board members are properly briefed on issues arising at Board meetings and that available information on an issue is presented to the Board.

4.1.4. The Chairman will act as facilitator at board meetings to ensure that no Board member, whether Executive or Non-Executive, dominates discussion, that appropriate discussion takes place and that relevant opinion among Board members is forthcoming.

4.1.5. Decisions at any Board meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote, except that where two (2) Directors form a quorum and only two (2) Directors are present, or where there are only two (2) Directors who are competent to vote on the question at issue, the Chairman shall not have a casting vote.

4.1.6. The Chairman chairs general meetings of the Company.

#### **4.2. Group Managing Director**

4.2.1. The Group Managing Director is the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions.

4.2.2. The Group Managing Director has the executive responsibility for the day-to-day operation of the Company's business, and the execution of the

agreed business policies and directions set by the Board and of all operational decisions in managing the Group.

4.2.3. All Board authorities conferred on the Management is delegated through the Group Managing Director and this will be considered as the Group Managing Director's authority and accountability as far as the Board is concerned.

4.2.4. The Group Managing Director is supported by his team of Management on the day-to-day operations. The responsibilities of the Management are as follows:

- Formulating, recommending and implementing the strategic objectives of the Company;
- Translate the approved strategic plan into operation and financial action plans;
- Manage the Company's human, physical and financial resources to achieve the Company's objectives;
- Operate within the delegated authority limits set by the Board;
- Assume the day-to-day responsibilities for the Group's conformance with relevant laws and regulations, its compliance framework and all other aspects of the day-to-day running of the Group;
- Develop, implement and manage the Company's risk management and internal control systems within the risk appetite and framework approved by the Board;
- Develop, implement and update policies and procedures;
- Keep pace with industry and economic trends in the Company's operating environment; and;
- Provide the Board with accurate, timely and clear information to enable the Board to perform its responsibilities.

## **5. BOARD COMMITTEES**

The Board may from time to time establish Board Committees as is considered appropriate to assist in carrying out its duties and responsibilities. The Board has delegated some of its powers and functions to the following Board Committees with specific terms of reference:

- Audit Committee ("**AC**")
- NRC
- RMC
- Sustainability Committee ("**SC**")
- Employees' Share Option Scheme ("**ESOS**") Committee

### **5.1. AC**

5.1.1. The AC comprises at least three (3) members, all of them must be Non-Executive Directors, with a majority of them being Independent Directors. No alternate Director shall be appointed as a member of the AC. Chairman of the AC should not be the Chairman of the Board.

- 5.1.2. The AC is responsible to provide oversight of the financial reporting process, audit process, system of internal controls and compliance with applicable financial reporting standards and regulations, as well as COI and related party transactions. The AC is also responsible for reviewing the allocation of options under the Company's Employees' Share Option Scheme ("ESOS") to ensure that it is in accordance with the criteria determined by the ESOS Committee and in compliance with the ESOS By-Laws.
- 5.1.3. The AC meets on a quarterly basis to carry out its functions. However, upon the request of any member of the AC, non-member Directors, the Internal or External Auditors, the Chairman of AC shall convene additional meeting to consider the matters brought to its attention.
- 5.1.4. The Group Managing Director, Chief Financial Officer, Internal Auditors and External Auditors attend the meetings at the invitation of the AC.
- 5.1.5. The Board shall, through the NRC review the performance of the AC annually.
- 5.1.6. The Terms of Reference of the AC is appended as **Appendix 1** to the Board Charter.

## 5.2. NRC

- 5.2.1. The NRC comprises not less than three (3) members, composed exclusively of Non-Executive Directors, a majority of whom are independent. No alternate director shall be appointed as a member of the NRC.
- 5.2.2. The NRC shall be chaired by an Independent Director or a SID.
- 5.2.3. The NRC is responsible for:
  - (a) reviewing the succession planning as well as appointment and re-election of Directors, and overseeing the development of a diverse pipeline for Board and Management succession;
  - (b) assessing the effectiveness of the Board as a whole as well as the performance of each Director annually;
  - (c) recommending to the Board, the proposed remuneration for Directors and the renewal of the terms of employment contracts for Executive Directors, with the aim of ensuring that the Company attracts and retains the Directors needed to run the Group successfully; and
  - (d) recommending to the Board, the remuneration framework for the Company's Executive Directors and Key Senior Management.
- 5.2.4. The Terms of Reference of the NRC is appended as **Appendix 2** to the Board Charter.

5.3. **RMC**

- 5.3.1. The RMC comprises not less than three (3) members, a majority of whom shall be Independent Directors. No alternate director shall be appointed as a member of the RMC.
- 5.3.2. The RMC is responsible for overseeing the Group's overall risk management framework and all its related policies. The RMC reviews the risk management framework and processes to ensure that they remain relevant for use, and monitors the effectiveness of risk treatment/mitigation action plans for the management and control of the key risks.
- 5.3.3. The Terms of Reference of the RMC is appended as **Appendix 3** to the Board Charter.

5.4. **SC**

- 5.4.1. The SC shall have at least three (3) members including a minimum of two (2) Independent Non-Executive Directors and one (1) senior management officer. The Chairman of SC must be an Independent Non-Executive Director elected from the members of the SC. The members of the SC, including senior management officer, shall be appointed by the Board.
- 5.4.2. The SC assists and supports the Board's responsibility of overseeing the Group's objectives, policies and practices pertaining to sustainability. The SC is responsible for, among other things, reviewing, supervising and recommending sustainability strategies and issues relevant to the Group and its business including climate-related risks and opportunities, key Environment, Social and Governance (ESG) targets and performance, progress and scorecard to the Board to advance the sustainability leadership of the Group.
- 5.4.3. The Terms of Reference of the SC is appended as **Appendix 4** to the Board Charter.

5.5. **ESOS Committee**

- 5.5.1. The ESOS Committee shall be appointed by the Board and shall consist of a minimum of three (3) Non-Executive Directors, one (1) executive director and one (1) senior management officer. No alternate director shall be appointed as a member of the ESOS Committee.
- 5.5.2. The ESOS Committee appointed and authorised by the Board to oversee the implementation and administration of the ESOS in accordance with the ESOS By-Laws. Subject to the provisions of the ESOS By-Laws, the ESOS Committee shall manage the ESOS in such manner as it deems fit and shall exercise the powers and duties conferred upon it by the Board.
- 5.5.3. The Terms of Reference of the ESOS is appended as **Appendix 5** to the Board Charter.

## **6. BOARD AND BOARD COMMITTEE EVALUATION**

- 6.1. The Board, through the NRC, shall evaluate the effectiveness of the Board and Board Committees as well as the performance of individual Directors annually. All such assessments shall be properly documented. The Board shall also engage independent expert to facilitate objective and candid Board evaluation, when necessary.
- 6.2. The results of the performance assessment will form the basis of the NRC's recommendation to the Board for the re-election of Directors as well as for the necessary training and development needs for the Board, Board Committees and individual Board members.

## **7. REMUNERATION LEVELS OF DIRECTORS**

- 7.1. The remuneration of the Executive Directors is structured on the basis of linking rewards to corporate and individual performance. The Company has in place a policy to determine the remuneration of Directors and Key Senior Management. The Board is assisted by the NRC in reviewing the suitable remuneration for the Executive Directors and Key Senior Management upon recommendations are submitted to the Board for approval.
- 7.2. For Non-Executive Directors, they receive a basic fee, an additional fee for serving on the Board Committee(s) and meeting allowance for participation in meetings of the Board and any of the committee meetings.
- 7.3. Information prepared by independent consultants and survey data on the remuneration practices of comparable companies are taken into consideration in determining the remuneration packages for Executive and Non-Executive Directors.
- 7.4. The Board as a whole resolve on the fees for the Non-Executive Directors with individual Directors abstaining from decisions in respect of their individual remuneration. The fees and benefits payable to the Non-Executive Directors are subject to the approval of shareholders.

## **8. FINANCIAL REPORTING**

### **8.1. Transparency**

- 8.1.1. In presenting the annual financial statements, Integrated Annual Report and quarterly results to shareholders, the Board aims to provide a balanced and understandable assessment of the Group's financial position, performance and prospects.

8.1.2. The Board ensures that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards and the CA 2016. The Board is assisted by the AC to oversee the Group's financial reporting processes and the quality of its financial reporting.

## **8.2. External Auditors**

8.2.1. The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the External Auditors through its AC.

8.2.2. The AC also keeps under review the scope and results of the audit and its cost effectiveness as well as the independence and objectivity of the External Auditors. The Board ensures that the External Auditors do not supply a substantial volume of non-audit services to the Company.

8.2.3. Appointment of the External Auditors is subject to approval of shareholders at general meeting of the Company. The External Auditors have to retire during the Annual General Meeting of the Company every year and be re-appointed by shareholders for the ensuing year.

## **8.3. Internal Controls and Risk Management**

8.3.1. The Company has an in-house internal audit function, which critically reviews all aspects of the Group's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business units and subsidiaries are undertaken on a regular basis. The Head of Internal Audit has direct access to the Board through the Chairman of the AC.

8.3.2. The Board ensures the system of internal controls is reviewed on a regular basis. The AC receives reports regarding the outcome of such reviews on a regular basis.

8.3.3. The Company has established a risk management framework. This enable the Company to identify, assess and mitigate risks that may prevent the Company from achieving its objectives. The RMC receives reports regarding the risks review on a regular basis.

## **9. DEALING IN SECURITIES**

9.1. The Company Secretary keeps the Board and the Principal Officers of the Company and its Group informed quarterly on the procedures for dealing in securities of the Company during and outside the Closed Period so as to ensure compliance with the Listing Requirements.

- 9.2. A Director must not deal in the securities of the Company as long as he/she is in possession of price-sensitive information relating to the Company. "Price-sensitive information" means information that "on becoming generally available would or would tend to have a material effect on the price or value of securities".

## **10. CONFLICT OF INTEREST ("COI") & TRANSACTION INVOLVING DIRECTORS**

10.1. COI refers to a situation where:

- (a) the interests of the Director or person connected with such Director, interfere, or appear to interfere, with the interests of the Company and/or its subsidiaries; or
- (b) the Director or person connected with such Director has interests that may make it difficult to perform his/her role objectively and effectively.

COI is not limited to direct financial interest but also include an indirect financial interest, non-financial interest (e.g. arising from relationships whether family, business or professional interests), or competing loyalties or interests.

Conflict may be actual or potential, may be financial or non-financial or may arise from competing loyalties or interests.

A potential COI is a COI that has yet to materialise or happen, but may arise subsequently due to, among others, prevailing relationships or interests of the Director.

- 10.2. The definition on "Person Connected" is that the conflict arising from the interest (direct or indirect) of a Director or major shareholder or person connected with such Director or major shareholder in a transaction proposed to be entered into or action/decision to be taken by the Company or its subsidiaries.
- 10.3. Where a Director has an interest (direct or indirect) in a transaction proposed to be entered into or action/decision to be taken by the Company or its subsidiaries, he/she may be biased in making the commercial or regulatory decision which could be to the detriment of the Company or its subsidiaries.
- 10.4. Directors can be regarded as having a conflict of interest where the company, he/she is associated with, may have or potentially have derived an advantage from him/her being a Director. Therefore, a Director is required at all times to declare such actual or potential conflict and if so, required by the Board, to withdraw from any voting or deliberation of a matter in which the Director may have an interest.
- 10.5. The CA 2016 provides that a Director who is in any way, whether directly or indirectly, interested in a contract entered into or proposed to be entered into by the Company shall be counted only to make the quorum at the Board meeting but shall not participate in any discussion while the contract or proposed contract is being considered at the Board meeting and shall not vote on the contract or proposed contract.

- 10.6. Where a contract or proposed contract is entered into in contravention of Section 221 of the CA 2016, the contract or proposed contract shall be voidable at the instance of the Company except if it is in favour of any person dealing with the Company for a valuable consideration and without any actual notice of the contravention. A director who knowingly contravenes Section 221 of the CA 2016 shall be guilty of an offence against the CA 2016.
- 10.7. The Listing Requirements further provides that a Director with any interest, direct or indirect, must abstain from Board deliberation and voting on the relevant resolution in respect of the related party transaction.
- 10.8. All directors are required to fill up the “Annual Self-Declaration Form of Conflict of Interest by a Director” and subjected to be reviewed by the Board. The Company Secretary shall maintain the COI register for the Board.

## **11. CODE OF CONDUCT & BUSINESS ETHICS**

- 11.1. The Board is responsible to formalise and maintain a set of ethical standards of behaviour expected of all Directors and employees of the Group, and where applicable, counterparts and business partner through the Code of Conduct & Business Ethics (“**Code**”).
- 11.2. The Code emphasizes and advances the principles of discipline, good conduct, professionalism, loyalty, integrity and cohesiveness that are critical to the success and well-being of the Group. It also addresses conflict of interest, no gift policy, anti-bribery and corruption, and responsibilities to protect the environment among others.

## **12. WHISTLE-BLOWING POLICY AND PROCEDURES**

The Board has in place a Whistle-blowing Policy and Procedures which provides a mechanism for all employees and stakeholders to report concern of any suspected wrongdoing, inappropriate behaviour or misconduct relating to fraud, corrupt practices and/or abuse. Notwithstanding that the AC and the Internal Audit Department are responsible for the administration and compliance with this policy, the Board has overall responsibility for this policy and shall oversee the implementation of this policy. The Whistle-blowing Policy and Procedures shall be periodically reviewed and updated by the Board to assess its effectiveness, and in any event, at least once every three (3) years.

## **13. ANTI-BRIBERY AND CORRUPTION POLICY**

- 13.1. The Board is committed to conducting business dealings with integrity, honesty and respect. This means avoiding practices of bribery and corruption of all forms in the Group.

- 13.2. The Board established an Anti-Bribery and Corruption Policy with the aim to provide guidance to the employees and/or any person associated with the Group concerning how to deal with bribery and corruption and related issues that may arise during the course of business. It reiterates the Board's commitment to full compliance with the Malaysian Anti-Corruption Commission ("**MACC**") Act 2009 and the MACC (Amendment) Act 2018 and any other local anti-bribery and corruption laws that may be applicable.
- 13.3. The Board must ensure that corruption risk is included in its annual risk assessment of the Group.

#### **14. GENERAL MEETING**

- 14.1. The Company regards the general meeting as an important event in the corporate calendar of which all Directors and Key Senior Management should attend.
- 14.2. The Company regards the general meeting as the principal forum for dialogue with shareholders and aims to ensure that the general meeting provides an important opportunity for effective communication with, and constructive feedback from the Company's shareholders.
- 14.3. The Chairman encourages active participation by the shareholders during the general meeting.
- 14.4. The Company leverages on technology to facilitate remote shareholders' participation and voting through electronics mean at the general meeting.
- 14.5. All resolutions tabled at the general meeting will be conducted by poll voting.
- 14.6. The Chairman, Board members and the Group Managing Director will respond to shareholders' queries during the general meeting.
- 14.7. Minutes of proceedings of the Company's general meeting will be uploaded onto the Company's website no later than thirty (30) business days after the general meeting.

#### **15. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION**

- 15.1. The Board values constant dialogue and is committed to have clear communication with shareholders and investors. In this respect, as part of the Group's active investor relations programme, discussions and dialogues are held with fund managers, financial analysts, shareholders and the media to convey information about the Group's performance, corporate strategy and other matters affecting shareholders' interests.

15.2. The Company communicates information to shareholders and the investing community through announcements that are released to Bursa Securities via Bursa LINK. Such announcements include the quarterly results, material transactions and other developments relating to the Group requiring disclosure under the Listing Requirements of Bursa Securities. Communication channels with shareholders are also made accessible via:

- Press and analysts' briefings;
- One-on-one/group meetings, conference calls, investor luncheons, domestic/overseas roadshows and conferences;
- Integrated Annual Reports;
- Press releases on major developments and
- The Company's website at *www.sunwayconstruction.com.my*

15.3. In addition to published Integrated Annual Report and quarterly results announced to Bursa Securities, the Company has established a website at *www.sunwayconstruction.com.my* from which investors and shareholders can access for information. Minutes of general meetings are uploaded onto the Company's website for public viewing.

15.4. While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

## **16. SUSTAINABILITY**

The Company is committed to achieving the United Nations 17 Sustainable Development Goals ("**SDG**"), by aligning its business strategies to meet the needs of its communities in line with the SDG agenda. The Company's commitment to strong Economic, Environment and Social practices is embedded throughout the organization. The ultimate objective is to achieve good financial performance in order to fuel long term sustainable growth and thereby, enhancing shareholders' value and contributing to the community it operates and nation building.

## **17. RELATIONSHIP WITH OTHER STAKEHOLDERS**

In the course of pursuing the vision and mission of the Company, the Board recognises that no company can exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

### **17.1. Employees**

- 17.1.1. The Board acknowledges that the employees are invaluable assets of the Company and play a vital role in achieving the vision and mission of the Company.

17.1.2. The Company adopts comprehensive and documented policies and procedures with respect to occupational safety and health with the objective of providing a safe and healthy working environment for all employees.

17.1.3. The Company also adopted a Code which provides the ethical framework to guide actions and behaviours of all Directors and employees while at work.

## **17.2. Environmental**

17.2.1. The Board acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the Company's vision and mission.

17.2.2. The Company adopts comprehensive and documented policies and procedures as part of its commitment to protect the environment and contribute towards sustainable development.

17.2.3. The Company supports initiatives on environmental issues.

## **17.3. Corporate Responsibility**

17.3.1. The Board acknowledges that the Company should play a vital role in contributing towards the welfare of the community in which it operates.

17.3.2. The Company adopts comprehensive and documented policies and procedures towards responsible marketing and advertising of its products and services.

17.3.3. The Company supports charitable causes and initiatives on community development projects.

## **18. COMPANY SECRETARY**

18.1. The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.

18.2. The Company Secretary is accountable to the Board on all governance matters.

18.3. The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.

18.4. The roles and responsibilities of the Group Secretary shall include, but are not limited to the following:

- (a) Manage all Board and Board Committees meetings logistics, attend and record minutes of all Board and Board Committees meetings and facilitate Board communications;

- (b) Ensures that the decisions of the Board and Board Committees are relayed to management to act upon;
  - (c) Advise the Board on its roles and responsibilities;
  - (d) Facilitating the orientation of new Directors and assist in Directors' training and development;
  - (e) Advise the Board on corporate disclosures and compliance with the Company and securities regulations and Listing Requirements;
  - (f) Manage processes pertaining to the annual shareholder meeting;
  - (g) Monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;
  - (h) Serve as a focal point for stakeholders' communication and engagement on corporate governance issues; and
  - (i) Provide updates and assist the Board with interpreting regulatory requirements related to Company and securities regulations as well as Listing Requirements.
- 18.5. The Company Secretary must keep abreast of, and inform the Board of current governance practices and should undertake continuous professional development.
- 18.6. The Board members have unlimited access to the professional advice and services of the Company Secretary.

## **19. REVIEW OF THE BOARD CHARTER**

- 19.1. The Board will review this Board Charter periodically or as changes arise to ensure that the allocation of responsibilities reflects the dynamic nature of the relationship necessary for the Company to adopt to changing circumstances. Any amendment to the Board Charter can only be approved by the Board.

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## 1. MEMBERSHIP

- 1.1. The Audit Committee ("**Committee**") shall be appointed by the Board of Directors ("**Board**") from amongst the Directors of the Company and shall consist of not less than three (3) members.
- 1.2. All members of the Committee must be Non-Executive Director, with a majority of them being Independent Directors as defined under paragraph 1.01 of the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").
- 1.3. The members of the Committee should be financially literate and shall include at least one (1) member:
- (a) who is a member of the Malaysian Institute of Accountants; OR
  - (b) who must have at least three (3) years' working experience and:
    - (i) passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
    - (ii) is a member of one (1) of the Associations of Accountants specified in Part II of the First Schedule of the Accountants Act 1967; OR
  - (c) who must have at least three (3) years' post qualification experience in accounting or finance and:
    - (i) has a degree/masters/doctorate in accounting or finance; or
    - (ii) is a member of any professional accountancy organisation which has been admitted as a full member of the International Federation of Accountants; OR
  - (d) who must have at least seven (7) years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.
- In the event of non-compliance with this requirements, indulgence or permission from Bursa Securities shall be sought.
- 1.4. The members of the Committee shall elect a Chairman from amongst their number, who shall be an Independent Director. The Chairman of the Committee should not be the Chairman of the Board.
- 1.5. No Alternate Director shall be appointed as a member of the Committee.
- 1.6. No former partner of the external audit firm of the Company shall be appointed as a member of the Committee before observing a cooling-off period of at least three (3) years.

- 1.7. If a member of the Committee resigns, dies or for any reason ceases to be a member resulting in the non-compliance of paragraphs 1.1, 1.2, 1.3 or 1.4 above, the Board must fill the vacancy within three (3) months.
- 1.8. The terms of office and performance of the Committee and each of its members shall be reviewed by the Nomination and Remuneration Committee annually to determine whether the Committee and its members have carried out their duties in accordance with the terms of reference of the Committee. However, the appointment terminates when a member ceases to be a Director.

## **2. MEETINGS**

- 2.1. The quorum for a Committee Meeting shall be at least two (2) members.
- 2.2. The Committee shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide.
- 2.3. Notwithstanding paragraph 2.2 above, upon the request of any member of the Committee, non-member Directors, the Internal or External Auditors, the Chairman shall convene a meeting of the Committee to consider the matters brought to its attention.
- 2.4. The External Auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so.
- 2.5. The non-member Directors and employees of the Company and its group of companies ("**Group**") shall normally attend the meetings at the Committee's invitation, to assist in its deliberations and resolutions of matters raised. However, at least twice a year, the Committee should meet with the External Auditors without the presence of the executive board members.
- 2.6. The Internal Auditors shall be in attendance at all meetings to present and discuss the audit reports and other related matters as well as the recommendations relating thereto and to follow-up on all relevant decisions made.
- 2.7. A meeting of the Committee shall normally be conducted face to face to enable effective discussion, however, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the Committee.

## **3. REPORTING**

In addition to the availability of detailed minutes of the Committee Meetings to the Board, the Chairman of the Committee will at each Board Meeting, report a summary of significant matters and resolutions.

#### **4. SECRETARY**

- 4.1. The Company Secretary shall act as Secretary of the Committee.
- 4.2. The Secretary to the Committee shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.
- 4.3. The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.

#### **5. RIGHTS AND AUTHORITY**

The Committee is authorised to:

- 5.1. Investigate any matter within its terms of reference.
- 5.2. Have adequate resources required to perform its duties.
- 5.3. Have full and unrestricted access to information pertaining to the Company or Group.
- 5.4. Have direct communication channels with the External and Internal Auditors.
- 5.5. Engage, consult and obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise it considers necessary.
- 5.6. Convene meetings with the External Auditors, Internal Auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

#### **6. FUNCTIONS AND DUTIES**

- 6.1. To review and recommend for the Board's approval, the Internal Audit Charter which defines the independent purpose, authority, scope and responsibility of the internal audit function in the Company and the Group.
- 6.2. To formulate corporate governance and integrity policies, regulations and procedures and to monitor their compliance as well as to recommend and report to the Board, where necessary.
- 6.3. To review the following and report the same to the Board:
  - (a) With regard to the External Auditors:

- (i) the audit plan and audit report and the extent of assistance rendered by employees of the Company;
  - (ii) their evaluation of the system of internal controls;
  - (iii) the audit fee and on matter concerning their suitability for nomination, appointment and re-appointment and the underlying reasons for resignation or dismissal as External Auditors;
  - (iv) the management letter in relation to the audit findings and recommendation to the financial statements and management's response;
  - (v) issues and reservations arising from audits;
  - (vi) assessment of their suitability, objectivity and independence annually to safeguard the quality and reliability of audited financial statements;
  - (vii) provision of non-audit services by the External Auditors to ensure that there are proper checks and balances in place so that the provision of non-audit services does not interfere with the exercise of independent judgement of the External Auditors and the total non-audit fees payable for each financial year does not exceed 50% of the total fee payable to the External Auditors before recommending the non-audit fees for Board's approval; and
  - (viii) the statement on risk management and internal controls to ensure that relevant information as prescribed in the Listing Requirements of Bursa Securities is disclosed.
- (b) With regards to the Internal Audit Function:
- (i) the adequacy and relevance of the scope, functions, competency and resources of the internal audit function as well as its budget and the necessary authority to carry out its work;
  - (ii) whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
  - (iii) the internal audit plan of work, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate actions are taken on the recommendations;
  - (iv) the accuracy and reliability of the data and information disclosed in the sustainability statement in the Integrated Annual Report;
  - (v) the extent of cooperation and assistance rendered by employees of the Company; and

- (vi) the appraisal of the performance of the internal audit function including that of the senior staff and any matter concerning their appointment and termination.
  - (c) The quarterly results and year end financial statements prior to the approval by the Board, focusing particularly on:
    - (i) changes in or implementation of major accounting policy changes;
    - (ii) significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
    - (iii) going concern assumption; and
    - (iv) compliance with accounting standards, regulatory and other legal requirements.
  - (d) The major findings of investigations and management response.
  - (e) The propriety of any related party transaction and conflict of interests' situation that arose, persist or may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity and the measures taken to resolve, eliminate, or mitigate such conflicts as well as the framework established, and ensure that the transactions carried out are in the best interest of the Group as well as not detrimental to the minority shareholders.
- 6.4. To review the allocation of options under the Company's Employees' Share Option Scheme ("ESOS") to verify whether it is in accordance with the criteria determined by the ESOS Committee and in compliance with the ESOS by-laws.
- 6.5. To report any breach of the Listing Requirements which has not been satisfactorily resolved, to Bursa Securities.
- 6.6. To prepare the Audit Committee Report for inclusion in the Company's Integrated Annual Report covering:
- (a) the composition of the Committee including the name, designation and directorship of the members;
  - (b) the number of meetings held during the financial year and details of attendance of each member;
  - (c) a summary of the work of the Committee in the discharge of its functions and duties for that financial year and how it has met its responsibilities;
  - (d) a summary of the work of the internal audit function; and
  - (e) a summary of any conflict of interest or potential conflict of interest situation reviewed by the Audit Committee pursuant to 6.3(e) (excluding a related

party transaction), and the measures taken to resolve, eliminate, or mitigate such conflicts.

- 6.7. To review the following for publication in or together with the Company's Integrated Annual Report as well as to review the Integrated Annual Report and recommend for the Board's approval:
- (a) the Corporate Governance Overview Statement in relation to the disclosure of the overview application of the Principles set out in the Malaysian Code of Corporate Governance ("MCCG").
  - (b) the Corporate Governance Report in relation to the disclosure of the application of each Practice set out in the MCCG during the financial year in review in the prescribed format provided by Bursa Securities.
  - (c) the statement on the Board's responsibility for the preparation of the annual audited financial statements.
  - (d) the statement by the Committee on the verification of allocation of share options to the Group's eligible employees in compliance with the criteria set out in the Bye-Laws of the Company's Employees' Share Option Scheme, at the end of each financial year (if applicable).
  - (e) the statement on risk management and internal controls to ensure that relevant information as prescribed in the Listing Requirements of Bursa Securities is disclosed.
  - (f) other disclosures forming the contents of annual report spelt out in Part A of Appendix 9C of the Listing Requirements.

The above functions and duties are in addition to such other functions as may be agreed to from time to time by the Committee and the Board.

## **7. INTERNAL AUDIT DEPARTMENT**

- 7.1. The Head of the Internal Audit Department shall have unrestricted access to the members of the Committee and shall report to the Committee, whose scope of responsibility includes overseeing the development and the establishment of the internal audit function.
- 7.2. In respect of routine administrative matters, the Head of Internal Audit Department shall report to the Group Managing Director of the Company or his designate.

## **8. RESOLUTION IN WRITING**

A resolution in writing signed or approved by electronic mail or any form of electronic approval or electronic signature via software, electronic devices or other means of communication apparatus or devices by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be forwarded or otherwise delivered to the Company Secretary and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

## **9. REVIEW**

The terms of reference shall be subject to periodic review to ensure that it remains relevant and updated in line with best practices. Any amendments herein must be approved by the Board.

## 1. OBJECTIVE

- 1.1. The Nomination and Remuneration Committee ("**Committee**") is entrusted with identifying qualified individuals to serve as members of the Board of Directors ("**Board**") and recommending such candidates for appointment to the Board and Board Committees. The ultimate decision as to who shall be nominated should be the responsibility of the full Board after considering the recommendations of the Committee.
- 1.2. A Directors' Fit and Proper Policy has been established to guide the Committee in the review and assessment of candidates who are to be appointed onto the Board as well as Directors who are seeking election or re-election.
- 1.3. The Committee also conducts periodic evaluations to assess the effectiveness of the Board as a whole, Board Committees and contribution of individual Directors, including Independent Directors.
- 1.4. The Committee is to recommend for Board's approval the remuneration framework to attract and retain the Company's Executive Directors and Key Senior Management to run the Company successfully. The remuneration package should be aligned with the business strategy, long-term objectives and sustainability goals of the Company.
- 1.5. The Committee shall also carry out such duties that may be delegated by the Board or required by the regulatory authorities from time to time.

## 2. MEMBERSHIP

- 2.1. The Committee shall be appointed by the Board from among their number and shall consist not less than three (3) members, composed exclusively of Non-Executive Directors, a majority of whom are independent. The Chairman of the Board should not be a member of the Committee.
- 2.2. No alternate director shall be appointed as a member of the Committee.
- 2.3. The Chairman of the Committee shall be elected from among the members who is an Independent Director or Senior Independent Director.
- 2.4. In the absence of the Chairman of the Committee, the remaining members present shall elect one (1) of their independent non-executive members as chairman of the meeting.
- 2.5. In the event of any vacancy in the Committee resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months fill the vacancy.

- 2.6. The membership of the Committee shall be terminated upon the cessation of him/her as a Director of the Company, or as determined by the Board.

### **3. AUTHORITY**

The Committee is authorized by the Board to undertake the specific duties and responsibilities stated below. The Committee is also authorized to obtain external legal or other independent professional advice, as it considers necessary.

### **4. DUTIES AND RESPONSIBILITIES**

#### **4.1. Nomination Matters**

- 4.1.1. To determine the core competencies and skills required of Directors to best serve the business and operations of the Company as a whole and the optimum size of the Board to reflect the desired skills and competencies.
- 4.1.2. To review the number of Non-Executive Directors, Board balance and determine if additional Directors are required and also to ensure that at least one-third (1/3) of the Board is independent and at least one (1) director is a woman.

The Committee, shall take steps to comply with the Malaysian Code of Corporate Governance's recommendation whereby, the composition of the Board should comprise a majority of Independent Directors and at least 30% women directors, for the purpose of oversight of management and also to meet the gender diversity requirement.

- 4.1.3. To recommend to the Board on the appropriate number of Directors to comprise the Board which should fairly reflect the investments of the minority shareholders in the Company, and whether the current Board representation satisfies this requirement.
- 4.1.4. To consider in making its recommendations, candidates for directorships proposed by the Board, management, major shareholders or other sources such as executive search firms.

In making its recommendations, the Committee shall evaluate candidates for new appointment as Directors based on the fit and proper criteria set out in the Fit and Proper Policy of the Company, check on the nature and extent of their conflict of interest ("**COI**") or potential COI (including competing business) (collectively, referred to as "**COI**") and also any other criteria which the Committee deems necessary from time to time.

In the case of candidates for the position of Independent Non-Executive Directors, the Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors. Among others, the candidates must fulfill the criteria used in the definition of "Independent Directors" prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and being able to bring independent and objective judgement to the Board.

- 4.1.5. To disclose in the Company's Integrated Annual Report or Corporate Governance Report how candidates for Non-Executive Director positions were sourced including whether such candidates were recommended by the Board, Management or major shareholders and the Committee should explain why these sources suffice and other sources were not used.
- 4.1.6. To assess the potential candidates and recommend to the Board, Directors of the Company to fill the seats on Board Committees.
- 4.1.7. To undertake an annual review of the required mix of skills, experience and other qualities of Directors, including core competencies which Non-Executive Directors should bring to the Board as well as independence and diversity (including gender diversity) of the Board composition which is required to meet the needs of the Company, and to disclose this in the Integrated Annual Report of the Company.
- 4.1.8. To review annually the Board structure, its size and composition having regard to the scope and nature of the operations and the core competencies of the Directors.
- 4.1.9. To review and determine on an annual basis, the independence of Independent Directors.
- 4.1.10. To assist the Board to implement a procedure to be carried out by the Committee for assessing the effectiveness of the Board as a whole and the Board Committees, as well as for assessing the contributions and performance of individual Directors and Board Committee members.
- 4.1.11. To review the term of office and performance of Audit Committee and each of its members annually to determine whether the Audit Committee and its members have carried out their duties in accordance with their Terms of Reference.
- 4.1.12. To introduce such regulations, guidelines, policies and/or procedures to function effectively and fulfill the Committee's objectives.
- 4.1.13. To determine appropriate training for Directors and review the fulfillment of such training, where appropriate in order to broaden their perspective and to keep abreast with development in the market place and of the new statutory regulatory requirements.

- 4.1.14. To review the budget allocated for Directors' training and development programme.
- 4.1.15. To review Board succession plans for directors and key management positions.
- 4.1.16. To assess the performance of the Directors who are retiring by rotation and recommend their re-election to be put forward pursuant to the Constitution of the Company, taking into consideration the fit and proper criteria set out in the Fit and Proper Policy of the Company as well as the nature and extent of any COI.
- 4.1.17. To ensure that each appointment of Director meets the procedures set out in the Policy on Selection and Assessment of Members of the Board and Board Composition.
- 4.1.18. To review the Policy on Selection and Assessment of Members of the Board and Board Composition to ensure its effectiveness and to recommend any such revisions, if required, to the Board for consideration and approval.
- 4.1.19. To periodically review the Fit and Proper Policy and making any changes as and when the Committee deemed fit, and recommend any such changes to the Board for consideration and approval.

#### **4.2. Remuneration Matters**

- 4.2.1. To recommend to the Board the remuneration of the Executive Directors and Key Senior Management.
- 4.2.2. Assume responsibility for all elements of Executive Directors and Key Senior Management's remuneration which include the following:
  - (i) Basic salary
  - (ii) Bonus / Profit Sharing Scheme (if any)
  - (iii) Share Options
  - (iv) Any other benefits
  - (v) Compensation for early termination
- 4.2.3. To ensure that a fair differential between the remuneration of Executive Directors and Key Senior Management and other levels of management is maintained.
- 4.2.4. To conduct continued assessment of individual Executive Directors and Key Senior Management to ensure that remuneration is directly related to corporate and individual performance and also takes into account the Group's performance in managing material sustainability risks and opportunities.

- 4.2.5. To review and recommend to the Board the appropriate performance target measures and benchmark for the performance scorecards of the Executive Directors and Key Senior Management.
- 4.2.6. To review the policies and procedures of the remuneration framework periodically.
- 4.2.7. To obtain the advice and information from external source, if necessary, to benchmark the remuneration benefits and packages currently earned by the Executive Directors and Key Senior Management and those paid to Executive Directors and Key Senior Management of other companies of a similar size in a comparable industry sector.
- 4.2.8. To ensure that the base salary element is competitive but fair.
- 4.2.9. To introduce any policy or guidelines which would enable the smooth administration and effective discharge of the Committee's duties and responsibilities.
- 4.2.10. To furnish a report to the Board of any findings of the Committee.

## **5. MEETINGS**

- 5.1. The Committee shall meet at least twice a year. However, additional meetings may be called at any time at the Chairman's discretion or if requested to do so by any members or the Board.
- 5.2. The quorum for the meeting shall be two (2) members, both of whom must be Independent Directors.
- 5.3. A member of the Committee shall abstain from participating in discussions and decisions on matters directly involving him/her to avoid a COI situation.
- 5.4. The Chairman of the Committee, or the Committee with the approval from the Chairman, may invite any person or persons to attend the Committee meetings, but not necessarily for the full duration of the meetings.
- 5.5. A meeting of the Committee shall normally be conducted face to face to enable effective discussion, however, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the Committee.

## **6. REPORTING**

When required, the Chairman of the Committee will report and update the Board on significant issues and concerns discussed and where appropriate, make the necessary recommendations to the Board.

## **7. SECRETARY**

- 7.1. The Secretary to the Committee shall be the Company Secretary.
- 7.2. The Secretary to the Committee shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.
- 7.3. The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.

## **8. RESOLUTION IN WRITING**

A resolution in writing signed or approved by electronic mail or any form of electronic approval or electronic signature via software, electronic devices or other means of communication apparatus or devices by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be forwarded or otherwise delivered to the Company Secretary and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

## **9. REVIEW**

The terms of reference shall be subject to periodic review to ensure that it remains relevant and updated in line with best practices. Any amendments herein must be approved by the Board.

## 1. INTRODUCTION

The Risk Management Committee (“**Committee**”) is a committee of the Board of Directors (“**Board**”) established pursuant to the Malaysian Code of Corporate Governance (“**MCCG**”). The terms of reference governs the processes of this Committee and outlines the policies, procedures and guidelines in relation to the Company and its group of subsidiaries’ (“**Group**”) risk management framework.

## 2. COMPOSITION

- 2.1. The Committee shall be appointed by the Board and shall comprise a majority of Independent Directors. The Committee shall comprise not less than three (3) members. The appointment terminates when a member ceases to be a Director.
- 2.2. No alternate director shall be appointed as a member of the Committee.
- 2.3. The Chairman of the Committee shall be elected from one (1) of the Independent Directors.
- 2.4. In the event of any vacancy in the Committee resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months, fill the vacancy.
- 2.5. The Board shall have the discretion as it deems fit to rescind and/or revoke the appointment of any person(s) in the Committee.
- 2.6. Members of the Committee may relinquish their membership in the Committee with prior written notice to the Company Secretary.

## 3. DUTIES AND RESPONSIBILITIES

- 3.1. The Committee oversees the Group’s overall risk management framework and all its related policies. The Committee reviews the risk management framework and processes to ensure that they remain relevant for use, and monitors the effectiveness of risk treatment/ mitigation action plans for the management and control of the key risks.
- 3.2. The Committee is accountable to the Board and is responsible to advise the Board on the adequacy and effectiveness of the risk management framework.
- 3.3. The Committee’s main duties and responsibilities include the following:
  - 3.3.1. reviewing and recommending for Board’s approval the appropriate risk management framework and measurement methodologies across the Group;

- 3.3.2. reviewing and assessing the relevance and adequacy of the risk management framework, governance structure and processes and its continuous benchmark against relevant standards;
  - 3.3.3. reviewing and recommending risk management strategies, policies and level of risk tolerance for the Board's approval;
  - 3.3.4. identifying, assessing and monitoring the effectiveness of risk treatment/mitigation action plans for the management and control of key business risks as well as material environment, social and governance ("ESG") risks;
  - 3.3.5. ensuring infrastructure, resources and systems are in place and adequate for risk management;
  - 3.3.6. reviewing management's periodic reports on risk exposure, risk profile and risk mitigation activities to ensure adequacy and effectiveness;
  - 3.3.7. reviewing the Group's risk category and risk appetite with Management and assessing whether the Group's strategies are consistent with the agreed-upon risk category and risk appetite and to recommend the aforesaid to the Board for approval on annual basis;
  - 3.3.8. reviewing the enterprise risk rating and determine the critical risks to be escalated to the Board on a quarterly basis;
  - 3.3.9. promoting better governance culture and ethical behaviour within the Group by ensuring that structured policies and procedures on anti-corruption and money laundering are in place, and place greater emphasis on reviewing corruption and money laundering risks as part of the quarterly and annual risk assessment of the Group; and
  - 3.3.10. reviewing the Statement on Risk Management and Internal Control in the Company's Integrated Annual Report to ensure that relevant information as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is disclosed
- 3.4. The Committee shall be assisted by the Chief Financial Officer ("**CFO**"), Risk Working Committee ("**RWC**") or any other designated senior officer, who will be leading the risk management function of the Company.

#### **4. RIGHTS AND AUTHORITY**

- 4.1. The Committee will have authority to engage and authorise expenses for independent consultants and other advisors as the Committee deems necessary to perform its duties.

- 4.2. The Committee may conduct or may authorise a third party to conduct specific assessment into any activity or function within the Group so far as it relates to the duties of the Committee and is in accordance with this terms of reference.
- 4.3. The Committee is authorised to make recommendations to the Board regarding appropriate action resulting from any such assessment.
- 4.4. The Committee will have access to all books, records, facilities and personnel of the Group necessary for the Committee to discharge its duties and responsibilities.

## **5. MEETINGS**

- 5.1. The Committee shall meet at least quarterly in a year. Additional meetings may be called at any time at the Committee Chairman's discretion.
- 5.2. The quorum for the Committee meeting shall be two (2) members, who must be Independents Directors.
- 5.3. The Head of the RWC and/or the CFO shall be in attendance at all meetings to present and discuss the risk management reports and other related matters as well as the recommendations relating thereto and to follow-up on all relevant decisions made. Other members of Management may attend the meetings by invitation of the Committee.
- 5.4. A meeting of the Committee shall normally be conducted face to face to enable effective discussion, however, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the Committee.

## **6. REPORTING**

The Chairman of the Committee shall report the proceedings of each Committee's meeting to the Board and update the Board on significant issues and concerns discussed if so required, and where appropriate, make necessary recommendations to the Board.

## **7. SECRETARY**

- 7.1. The Secretary to the Committee shall be the Company Secretary.
- 7.2. The Secretary to the Committee shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.

- 7.3. The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.

## **8. RESOLUTION IN WRITING**

A resolution in writing signed or approved by electronic mail or any form of electronic approval or electronic signature via software, electronic devices or other means of communication apparatus or devices by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be forwarded or otherwise delivered to the Company Secretary and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

## **9. REVIEW**

The terms of reference shall be subject to periodic review to ensure that it remains relevant and updated in line with best practices. Any amendments herein must be approved by the Board.

## 1. INTRODUCTION

1.1. The Sustainability Committee (“**SC**” or the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of Sunway Construction Group Berhad (the “**Company**”).

## 2. PURPOSE

2.1. The SC is established to assist the Board in fulfilling its responsibilities in overseeing the sustainability strategies, objectives, policies and practices of the Company and its group of Companies (the “**Group**”).

2.2. Sustainability areas under the purview of the SC are as follows:

- a) Mitigation and adaptation to climate change
- b) Sustainability and climate change risks and opportunities
- c) Resource use and efficiency
- d) Waste management
- e) Biodiversity protection
- f) Safety and health
- g) Fair employment and labour practices
- h) Capacity building, diversity and inclusiveness
- i) Product stewardship and quality management
- j) Sustainable procurement practices
- k) Governance and ethics
- l) Community engagement and development
- m) Organisational innovation
- n) Other areas deemed material from time to time

### 3. DUTIES AND RESPONSIBILITIES

3.1. The SC shall carry out the duties below:

- a) Assist the Board in overseeing matters pertaining to sustainability and climate change.
- b) Reports to the Board on the Group's sustainability agenda, climate change risk management, strategic direction and key initiatives on sustainable development.
- c) Oversee the Group's sustainability strategy, consider and approve proposals from Sustainability Working Team and recommend its adoption to the Board.
- d) Monitor the adequacy of resources allocated in achieving compliance with strategies, targets, policies and roadmap pertaining to the Group's sustainability agenda.
- e) Monitor and review the Group's key environmental, social and governance ("ESG") key performance indicators that are criteria for yearly appraisal and remuneration of the management.
- f) Oversee the processes, standards and strategic directions designed to manage ESG risks, as well as identifying potential opportunities to enhance the Group's ESG adoption and adaptation.
- g) Consider and recommend to the Board on the Group's position pertaining to emerging sustainability issues.
- h) Consider any other matters relevant to sustainability or ESG matters that are referred to it by the Board.

### 4. COMPOSITION

4.1. The SC shall have at least three (3) members including a minimum of two (2) Independent Non-Executive Directors and one (1) senior management officer. The senior management officer appointed to the SC shall serve as the liaison between the SC and the operational leadership.

4.2. The members of the SC, including senior management officer, shall be appointed by the Board.

4.3. All members of the SC, including the Chairman, shall hold office during their tenure as Directors or senior management officers.

4.4. The Secretary of the SC shall be any persons as the Committee may appoint.

## **5. CHAIRMAN**

5.1. The Chairman of the SC shall be elected from the members of the Committee. The Chairman must be an Independent Non-Executive Director.

## **6. QUORUM**

6.1. Two (2) members shall form a quorum for SC meetings.

## **7. MEETINGS**

7.1. The SC shall meet at least twice a year and at any other times as may be necessary.

7.2. The meetings may be attended by representatives and any other invited persons as determined by the Chairman.

7.3. The Minutes of each meeting shall be tabled to the Board for notation.

## **8. REPORTING**

8.1. The SC Chairman shall report to the Board on the Group's sustainability strategies, objectives, policies and practices.

8.2. The SC shall make whatever recommendations to the Board it considers appropriate on any area within its remit where action or improvement is necessary.

## **9. OTHER MATTERS**

9.1. The SC shall undertake such other functions as may be determined by the Board from time to time.

9.2. The SC may delegate any action in support of its functions to a competent person, providing the terms of delegation are documented in the SC's records.

9.3. The SC shall make amendments to the terms of reference in such manner as the SC shall decide with approval of the Board. The terms of reference shall be assessed, reviewed and updated where necessary, i.e., when there are changes to the Malaysian Code of Corporate Governance, Bursa Malaysia Listing Requirements or any other regulatory requirements. The terms of reference shall also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the SC's role.

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The expressions used in these Terms of Reference, except where the context otherwise requires, shall have the same meaning in the By-Laws for the Employees' Share Option Scheme ("**ESOS**").

## 1. INTRODUCTION

The ESOS Committee is established by the Board to oversee the implementation and administration of the ESOS. The ESOS permits the allocation of up to 5% of the total number of the issued ordinary shares of Sunway Construction Group Berhad ("**SunCon**" or the "**Company**") (excluding treasury shares, if any) to eligible executive directors and employees of the Group in accordance with the By-Laws.

The name of the ESOS is referred to as the "**Sunway Construction Group Berhad Employees' Share Option Scheme**".

## 2. COMPOSITION

- 2.1 The ESOS Committee shall be appointed by the Board and shall consist of a minimum of three (3) non-executive directors, one (1) executive director and one (1) senior management officer.
- 2.2 The members of the Committee shall elect a chairman from one (1) of the non-executive directors. The Chairman of the ESOS Committee shall be the Chairman of the meeting. In the absence of the Chairman of the ESOS meeting, the remaining members present shall elect one of the non-executive directors as Chairman of the meeting.
- 2.3 No alternate director shall be appointed as a member of the ESOS Committee.
- 2.4 In the event of any vacancy in the Committee resulting in the number of members being reduced to below five (5) members, the Board shall, within three (3) months fill the vacancy.
- 2.5 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person(s) in the ESOS Committee as it shall deem fit or assume and/or exercise and execute any powers and authorities conferred upon the ESOS Committee pursuant to the By-Laws.

## 3. FUNCTIONS

- 3.1 Pursuant to By-Law 23.1, the ESOS Committee shall, subject to the By-Laws, administer the ESOS in such matter as it shall deem fit and with such powers and duties are conferred upon it by the Board. The decision of the ESOS Committee shall be final and binding.
- 3.2 The Committee may, for the purpose of administering the ESOS, do all acts and things, execute all documents and delegate any of its powers and duties relating to the ESOS as it may at its sole discretion to be necessary or desirable for giving effect to the ESOS including the powers to:

- (a) subject to the provisions of the ESOS, construe and interpret the ESOS and ESOS Awards granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the ESOS and its administration. The Committee in the exercise of this power may correct any defect, supply any omission, or reconcile any inconsistency in the ESOS or in any agreement providing for an ESOS Award in any manner and to the extent it shall deem necessary to expedite and make the ESOS fully effective.
- (b) determine all questions of policy and expediency that may arise in the administration of the ESOS and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interests of the Company.

#### **4. POWERS AND AUTHORITIES**

4.1 Pursuant to By-Law 5, the Committee has the discretion:

- (a) to determine any other eligibility criteria and/or waive any of the conditions of eligibility as set out in the By-Laws at any time and from time to time;
- (b) to select any Eligible Person(s) to participate in the ESOS whose decision shall be final and binding;
- (c) to decide the participation of an Eligible Person who holds more than one (1) position within the Group in the applicable category; and
- (d) to select and identify suitable Eligible Persons to be offered ESOS Award. In the event that any Eligible Person is a member of the ESOS Committee, such Eligible Person shall not participate in the deliberation of his/ her own allocation.

4.2 (a) Pursuant to By-Law 6.1, the ESOS Committee has the discretion to offer such number of options to eligible employees in accordance with the ESOS after taking into consideration, inter alia, the designation, length of service, work performance, and/or such other criteria/ factors as the Committee deems relevant.

- (b) Pursuant to By-Law 6.2, the ESOS Committee shall set out the basis of allotment, identify the category or grade of the Eligible Person(s) and the Maximum Allowable Allotment for the Eligible Person(s) in the differing categories or grades. The ESOS Committee or the Board may at its discretion introduce additional category or grades of employees as it deems necessary during the duration of the ESOS
- (c) Pursuant to By-Law 6.3, the ESOS Committee has the sole discretion to determine whether to stagger the granting of ESOS Award to the Eligible Persons over the duration of the ESOS or in a single grant, whether there is any vesting period, and if so, whether to impose any Vesting Conditions under the ESOS and whether such Vesting Conditions are subject to financial and performance rating and if so, to determine the Vesting

Conditions for the ESOS Award and whether any Vesting Conditions have been fulfilled and satisfied. If applicable, where the ESOS Committee has determined that the Vesting Conditions have been fully and duly satisfied, the ESOS Committee shall notify the ESOS Participant the number of ESOS Award vested or which will be vested on him/her on the vesting date.

- 4.3 Pursuant to By-Law 7.1, during the duration of the ESOS, the ESOS Committee may, at its sole discretion, at any time and from time to time make an ESOS Award by issuing an ESOS Offer Letter to an Eligible Person, subject to the Eligible Person's Maximum Allowable Allotment. Each ESOS Option shall be in a multiple of one hundred (100) Shares or such other units of Shares constituting one (1) board lot as may be determined by the ESOS Committee. The ESOS Options shall only be accepted in multiples of one hundred (100) Shares or such other units of Shares constituting one board lot as may be determined by the ESOS Committee.
- 4.4 Pursuant to By-Law 9.2, the Committee may with its power under By-Law 23, at any time and from time to time, before and after the ESOS Options are granted, limit the exercise of the ESOS Options to a maximum number of new Shares and/or such percentage of the total new Shares comprised in the ESOS Options during such periods within the ESOS Award Period and impose other terms and/or conditions deemed appropriate by the ESOS Committee in its sole discretion.
- 4.5 Pursuant to By-Law 11.1 stipulates the vesting of any ESOS Award may be subject to the fulfilment by any company within the Group and/or Eligible Person/ESOS Participant (as the case may be) of the relevant performance ratings within the performance period and/or such other conditions, as may be determined by the ESOS Committee.
- 4.6 Pursuant to By-Law 12, the ESOS Awards will vest in such manner as the ESOS Committee may in its discretion determine, as set out in the ESOS Award(s) provided that the Vesting Conditions as set out in the ESOS Award(s), are fully and duly satisfied and met on the ESOS Option Vesting Date and as may be determined by the ESOS Committee and, unless the ESOS Committee decides otherwise in its sole discretion:
- (a) the ESOS Participant must remain in employment with the Group as at the relevant Vesting Date and shall not have given or served a notice of resignation or received a notice of termination as at each of the Vesting Date save and except as may be provided under these By-Laws;
  - (b) where applicable, the ESOS Participant must fulfil the financial and performance ratings within the performance period as determined by the ESOS Committee;
  - (c) the ESOS Participant is not an undischarged bankrupt as at the relevant Vesting Date under the laws to which he is subject to and shall not have received any notice that a bankruptcy proceeding is being instituted/threatened to be instructed against him/her as at such Vesting Date; and

- (d) the ESOS Participant must fulfil any other Vesting Conditions as may be set by the ESOS Committee (if any) at any time and from time to time.

The ESOS Committee shall have full discretion to determine whether any Vesting Condition has been fully and duly satisfied. If applicable, where the ESOS Committee has determined that the Vesting Conditions have been fully and duly satisfied, the ESOS Committee shall notify the ESOS Participant the number of ESOS Awards vested or which will be vested on him/her on the Vesting Date.

- 4.7 Pursuant to By-Law 16, the ESOS Committee is entitled to prescribe and impose any conditions to the ESOS Award, any condition in relation to any retention period or restriction on transfer as it sees fit.
- 4.8 Pursuant to By-Law 18.1, in the event of take-overs and merges, schemes of arrangement, amalgamations and reconstructions, the ESOS Committee may at its discretion to the extent permitted by law allow the exercise of any Unexercised ESOS Options or Unvested ESOS Options by the ESOS Participant or the ESOS Participant's Representatives as the case may be, at any time subject to such terms and conditions as may be prescribed.
- 4.9 Pursuant to By-Law 19.1, if an ESOS Participant is in the employment of a company within the Group and such company is subsequently divested, wholly or in part, from the Group, then the ESOS Committee may permit the vesting of any Unvested ESOS Options or the exercise of Unexercised ESOS Options (or any part thereof) in the ESOS Participant at any time subject to such terms and conditions as may be prescribed, notwithstanding that a relevant Vesting Date is not due or has not occurred and/or other terms and conditions of the ESOS Award have not been fulfilled or satisfied.
- 4.10 (a) Pursuant to By-Law 24.1, in the event of an Eligible Person and/or ESOS Participant is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service), after an ESOS Award is made but before the acceptance thereof by such Eligible Person, the ESOS Award is deemed withdrawn and no longer capable of acceptance, unless otherwise decided by the ESOS Committee who may in so doing, impose such terms and conditions as it deems appropriate having regard to the nature of the disciplinary actions made or brought against the Eligible Person. Nothing in these By-Laws shall prevent the ESOS Committee (but the ESOS Committee shall not be obliged to do so) from making a fresh ESOS Award to such Eligible Persons in the event that such disciplinary proceedings are not decided against him or if such disciplinary actions are withdrawn provided that such ESOS Award is made within the duration of the ESOS.
- (b) Pursuant to By-Law 24.2, in the event an Eligible Person and/or ESOS Participant is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service), the right of the ESOS Participant to have vested any Unvested ESOS Options or to exercise any Unexercised ESOS Option shall be suspended pending the outcome of the disciplinary proceedings unless otherwise decided by the ESOS Committee who may in so doing, impose such terms and conditions as it seems appropriate having regard to the nature of the disciplinary actions made or brought against the ESOS

Participant. Nothing herein shall prevent the ESOS Committee (but the ESOS Committee shall not be obliged to do so) from making a fresh ESOS Award and/or reinstating the right of the ESOS Participant to exercise any Unexercised ESOS Options in the event that such disciplinary proceedings are not decided against him or if such disciplinary actions are withdrawn provided that such ESOS Award and/or reinstatement is made within the duration of the ESOS. If the ESOS Committee does not reinstate such right of the ESOS Participant prior to the expiry of the duration of the ESOS, the ESOS Award and acceptance thereof shall automatically lapse and shall immediately become null and void.

- (c) Notwithstanding By-Law 24.2, in the event an ESOS Participant has been given a letter in relation to the ESOS Participant being subjected to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service), the ESOS Committee has the right to recall any Unexercised ESOS Options.
- 4.11 By-Law 25.1 stipulates that, subject to By-Law 25.2, the ESOS Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its sole discretion deem fit and the Board shall have the power, at any time, by resolution to add, to amend, modify or delete all or any of terms in the By-Laws upon such recommendation and the Company will submit the amended By-Laws together with a confirmation letter to Bursa Securities confirming that the amendment or modification is in compliance with the provisions of the Listing Requirements pertaining to the ESOS and the Rules of Bursa Depository.
- 4.12 Subject to By-Law 25.3, the approval of the shareholders of the Company in a general meeting shall not be required in respect of any additions, modifications or amendments to or deletions of these By-Laws (including any additions, modifications or amendments to or deletions of these By-Laws for purpose of complying with the Listing Requirements and the Act) unless such additions, modifications or amendments to or deletions of these By-Laws will:
- (a) prejudice any rights which would have accrued to any ESOS Participants without the prior consent or sanction of that ESOS Participants;
  - (b) increase the number of Shares available under the ESOS beyond the maximum imposed by By-Law 4.1;
  - (c) prejudice any rights of the shareholders of the Company without prior approval of the Company's shareholders in a general meeting; or
  - (d) alter any rights to the advantage of the Eligible Person(s) in respect of any matters which are required to be contained in the By-Laws without the prior approval of the Company's shareholders in a general meeting unless allowed by the provisions of the Listing Requirements.
- 4.13 (a) Pursuant to By-Law 27.1, if in consequence of an error or omission, the ESOS Committee discovers/ determines that an Eligible Person who was selected by the ESOS Committee as an ESOS Participant has not been given the opportunity to participate in the ESOS on any occasion or the number of Shares allotted and issued and/ or transferred to any ESOS

Participant on any occasion is found to be incorrect, and such error or omission cannot be corrected, the ESOS Committee may do all such acts and things to rectify such error or omission and ensure that the Eligible Persons are given the opportunity to participate in the ESOS and/or the aggregate number of Shares to which the ESOS Participant is correctly entitled to is credited into his/ her CDS Account.

- (b) Pursuant to By-Law 27.2, in the event of any error in the ESOS Award, the ESOS Committee may issue a supplemental ESOS Award stating the correct particulars of the ESOS Award.

## **5. MEETINGS**

- 5.1 Meetings of the Committee may be called at any time by the Chairman of the ESOS Committee.
- 5.2 The quorum for the meeting shall be two (2) members, who must be Non-Executive Directors.
- 5.3 A meeting of the Committee shall normally be conducted face to face to enable effective discussion, however, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the ESOS Committee.

## **6. REPORTING**

The Chairman of the ESOS Committee shall report the proceedings of each ESOS Committee's meeting to the Board and update the Board on significant issues and concerns discussed if so required, and where appropriate, make necessary recommendations to the Board.

## **7. SECRETARY**

- 7.1 The secretary to the ESOS Committee shall be the Company Secretary.
- 7.2 The Secretary to the ESOS Committee shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.
- 7.3 The Secretary of the ESOS Committee shall be entrusted to record all proceedings and minutes of all meetings of the ESOS Committee.

## **8. RESOLUTION IN WRITING**

A resolution in writing signed or approved by electronic mail or any form of electronic approval or electronic signature via software, electronic devices or other means of communication apparatus or devices by a majority of the members, of which at least two (2) must be Non-Executive Directors sufficient to form a quorum, shall be deemed valid and effectual as if it had been passed at a meeting. All such resolutions shall be forwarded or otherwise delivered to the Company Secretary and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

## **9. REVIEW**

The ESOS Committee shall review and update the terms of reference periodically taking into consideration the needs of the Group as well as any development in rules and regulations that may have an impact on the discharge of the ESOS Committee's duties and responsibilities. Any amendments herein must be approved by the Board.