

***SUNWAY***

**SUNWAY BERHAD**

Registration No. 201001037627 (921551-D)

**BOARD CHARTER**

DULY APPROVED AND ADOPTED BY THE BOARD OF DIRECTORS OF SUNWAY BERHAD AT THE BOARD OF DIRECTOR'S MEETING HELD ON 10 APRIL 2025.

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## 1. INTRODUCTION

1.1. The Board of Directors of Sunway Berhad (**“the Board”**) regards corporate governance as vitally important to the success of Sunway Berhad’s (**“Sunway”** or the **“Company”**) 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.

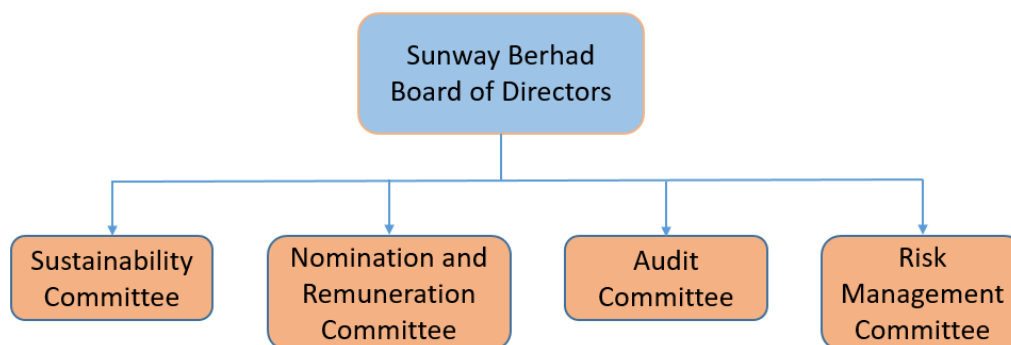
1.2. This Board Charter is subject to the provisions of the Companies Act 2016 (**“CA 2016”**), the Constitution of the Company, the Main Market Listing Requirements (**“Listing Requirements”**) of Bursa Malaysia Securities Berhad (**“Bursa Securities”**), the Malaysian Code on Corporate Governance (**“MCCG”**) and any other applicable laws or regulatory requirements. This Charter shall be periodically reviewed and updated by the Board.

## 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, 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 Sunway Group's (the "**Group**") performance.
- Ensuring the strategic plans of the Company supports long-term value creation and includes strategies on economic, environmental, social and governance 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 ensure that 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, 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.

- 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.
- Promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.
- Developing and implementing a communications policy for the Company that enables effective communication with stakeholders.
- Ensuring that the Group has in place procedures to enable effective communication with stakeholders.
- Ensuring that the Group's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.
- Reviewing the adequacy and the integrity of the financial and non-financial reporting of the Group. The Board is supported by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.
- Reviewing through the Audit Committee, 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 Audit Committee Report.
- 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.

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

- COI issues relating to substantial shareholders or Directors and key senior 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;
- Overseas ventures;
- Annual business plan and budgets (including major capital commitments);
- Material corporate or financing exercise/restructuring;
- Dividend policy, declaration of dividend and Directors' fees for shareholders' approval;
- Annual and interim financial results;
- Management approval authority limits; and
- Corporate governance issues and related policies.

3.1.5. The Board has established a procedure whereby the Directors, collectively or individually, may seek independent professional advice in furtherance of their duties at the Company's expense.

### **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 Board members shall comprise majority Independent Directors.
- 3.2.3. 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 (if the position of Chairman and SID are held by different individuals) or the President have failed to resolve them.
- 3.2.4. 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 will clearly reflect this.
- 3.2.5. The composition and size of the Board are reviewed from time to time to ensure its appropriateness and diversity.

### **3.3. Role of Individual Directors**

- 3.3.1. Directors shall at all times exercise their 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 attend continuous training programmes/briefings.

### **3.4. Independent Directors**

- 3.4.1. The Board may appoint a SID to whom shareholders’ concerns can be conveyed if there are reasons that contact through the normal channels of the Chairperson or the President have failed to resolve them. The role of SID includes acting as:
  - A sounding board for the Chairperson (if the position of Chairperson and SID are held by different individual);
  - An intermediary for other Directors when necessary;
  - The point of contact for shareholders and other stakeholders when necessary or deem appropriate; and
  - Provide leadership support and advice to the Board in the event the Board is undergoing a period of stress.
- 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.

- 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 an Independent Director shall not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director.
- 3.4.6. The Board, through the Nomination and Remuneration Committee (“**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 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) Experience and competence; and
  - (c) Time and commitment.
- 3.5.5. Directors are required to seek prior consent from the Chairperson of the Board before they accept any new directorship in public listed companies outside the Group. In the event it involves the Chairperson of the Board, the matter shall be decided by the Chairperson 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 appointment of new Directors are properly executed.

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

- 3.6.1. In addition to the Mandatory Accredited Programme (MAP) as required by Bursa Securities, Board members are also encouraged to attend seminars and 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. 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 shall ensure shareholders have the required information to make an informed decision on the appointment and re-election of a Director. The Board shall also provide a statement as to whether it supports the appointment and re-election of the Director and the reasons 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 Chairperson 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. CHAIRPERSON AND PRESIDENT**

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

### **4.1. Chairperson**

- 4.1.1. The roles of the Executive Chairperson, Non-Executive Co-Chairperson and Executive Deputy Chairperson are as follows:



a) Roles of Executive Chairperson

The roles of the Executive Chairperson comprise:

- He/she is responsible for the leadership to the Board and ensuring the Board's effectiveness in discharging its fiduciary duties. He/she is responsible for setting the visions, values and standards for the Company.
- He/she provides support and guidance to Senior Management Officers on operation matters and to help facilitate management succession planning.
- He/she grooms and mentors Senior Management Officers to achieve consistently high levels of professionalism and excellent performance.
- He/she chairs the Board Executive Committee meetings.

b) Roles of Non-Executive Co-Chairperson

The roles of the Non-Executive Co-Chairperson comprise:

- He/she is responsible for:-
  - (a) ensuring the integrity and effectiveness of the governance process of the Board;
  - (b) maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
  - (c) ensuring the provision of accurate, timely and clear information to Directors;
  - (d) leading the Board in the adoption and implementation of good corporate governance practices in the Group;
  - (e) ensuring effective communication with shareholders and relevant stakeholders; and
  - (f) 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.
- He/she 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.
- He/she ensures that the Board members are properly briefed on issues deliberated at board meetings and that all necessary information on an issue is presented in a clear and concise manner.

- He/she 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.
- Decisions at any board meeting shall be decided by a majority of votes. In the case of a deadlock situation, the Co-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 Co-Chairman shall not have a casting vote.
- He/she provides leadership to the Board and is responsible for the developmental needs of the Board.
- He/she ensures the smooth functioning of the Board and the governance structure and driving positive culture in the Board.
- He/she ensures that procedures and processes are in place to facilitate effective conduct of business by the Board.
- He/she chairs general meetings of the Company.

c) Roles of Executive Deputy Chairperson

The roles of the Executive Deputy Chairperson comprise:

- He/she spearheads the Group's international expansion.
- He/she identifies and pursues new market opportunities.
- He/she oversees the on-going development of Sunway City Iskandar Puteri, Johor.

## **4.2. President**

4.2.1. The roles of the President and Deputy Presidents are as follows:

a) Roles of President

The roles of the President comprise:

- The President is the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions.
- The President 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.

- All Board authorities conferred on the Management is delegated through the President and this will be considered as the President's authority and accountability.

b) Roles of Deputy Presidents

(i) Datuk Mohd Anuar bin Taib oversees the following 6 core business divisions:

- Sunway Property;
- Sunway Healthcare Group;
- Sunway Quarry;
- Sunway Trading and Manufacturing;
- Sunway Building Materials Group; and
- Sunway Malls.

(ii) Evan Cheah Yean Shin's roles comprise:

- He focuses on accelerating Sunway Group's digital transformation.
- He leads Sunway Group's strategic investments and emerging businesses.
- He oversees the following functions:
  - Group Finance;
  - Group Human Resources;
  - Group Digital Technology Solutions and Digital Hub;
  - Group Strategy;
  - Group Secretarial;
  - Sunway Multicare Pharmacy; and
  - Digital and Strategic Investment.

4.2.2. The responsibilities of the Management are as follows:

- Formulating, recommending and implementing the strategic objectives of the Company;
- Translate the approved strategic plans into operational 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
- Nomination and Remuneration Committee
- Risk Management Committee
- Sustainability Committee

### **5.1. Audit Committee**

- 5.1.1. The Audit Committee comprises not less than three (3) members, all of whom are Independent Directors. The Chairperson of the Audit Committee shall not be the Chairperson of the Board.
- 5.1.2. No alternate Director can be appointed as a member of the Audit Committee.
- 5.1.3. The Audit Committee 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.
- 5.1.4. The Audit Committee meets on a quarterly basis to carry out its functions. However, upon the request of any member of the Committee, non-member Directors, the Internal or External Auditors, the Chairperson shall convene additional meeting to consider the matters brought to its attention.
- 5.1.5. The President, Chief Financial Officer, Internal Auditors and External Auditors attend the meetings at the invitation of the Audit Committee.
- 5.1.6. The Board shall through the NRC review the performance of the Audit Committee annually.
- 5.1.7. The Terms of Reference of the Audit Committee is appended as Appendix 1 to the Board Charter.

### **5.2. NRC**

- 5.2.1. The NRC comprises not fewer than three (3) Non-Executive Directors, a majority of whom must be independent. No alternate Director shall be appointed as a member of the NRC.
- 5.2.2. The responsibilities of the NRC are as follows:
  - 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 key senior management 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 and key senior management needed to manage the Group successfully; and
- d) recommending to the Board, the remuneration policy for Directors and key senior management.
- e) reviewing the organizational health of the Group to ensure alignment with the Group's overall philosophy and strategy/direction.

5.2.3. The Terms of Reference of the NRC is appended as Appendix 2 to the Board Charter.

### **5.3. Risk Management Committee**

5.3.1. The Risk Management Committee comprises not less than 3 members, a majority of whom must be Independent Directors. No alternate Director shall be appointed as a member of the RMC.

5.3.2. The Risk Management Committee is responsible for overseeing the Group's overall risk management framework and all its related policies. The Risk Management Committee reviews the risk management framework and processes to ensure that they remain relevant for use, and monitors the effectiveness of risk management/mitigation action plans for the management and control of the key risks.

5.3.3. The Terms of Reference of the Risk Management Committee is appended as Appendix 3 to the Board Charter.

### **5.4. Sustainability Committee**

5.4.1 The Sustainability Committee comprises not less than three (3) members with at least two (2) members being Independent Non-Executive Directors.

5.4.2 The Sustainability Committee is responsible for reviewing, supervising and recommending sustainability strategies and issues, key 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 Sustainability Committee is appended as Appendix 4 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 Executive 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.
- 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 resolves 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 meaningful disclosure and 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 financial status of the Company in accordance with the approved accounting standards and the CA 2016. The Board is supported by the Audit Committee 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 Audit Committee.
- 8.2.2. The Audit Committee 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 render significant 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 Group 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, financial performance 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 Chairperson of the Audit Committee.
- 8.3.2. The Board ensures the system of internal controls is reviewed on a regular basis. The Audit Committee receives reports regarding the outcome of such reviews on a regular basis.
- 8.3.3. The Company has established a risk management framework. This enables the Company to identify, assess and mitigate risks that may prevent the Company from achieving its objectives. The Risk Management Committee receives reports regarding the risks review on a regular basis.

## **9. DEALING IN SECURITIES**

- 9.1. The Company Secretary keeps the Board and Principal Officers of the Company informed on quarterly basis in respect of 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 and Principal Officer 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. COI AND 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. This is 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 COI where the company, he or 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 COI by a Director and subjected to the Board's review. 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 advocates 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 COI, no gift policy, anti-bribery and corruption, and responsibilities to protect the environment among others.

## **12. WHISTLEBLOWING POLICY AND PROCEDURES**

- 12.1. The Board has in place a Whistleblowing 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 Audit Committee 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 Whistleblowing 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 anti-bribery and corruption laws that may be applicable.
- 13.3. The Board shall 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 engagement 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 wider shareholders' participation and voting through electronics means at the general meeting which is held either virtually, hybrid or physically.

- 14.5. All resolutions tabled at the general meeting will be conducted by poll voting.
- 14.6. The Chairman, Board members and Management will respond to shareholders' queries during the general meeting.
- 14.7. Minutes of the Company's general meeting will be uploaded onto the Company's website no later than 30 business days after the general meeting

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

- 15.1. The Board values constant dialogue and is committed to clear communication with shareholders and investors. In this respect, as part of the Group's active investor relations programme, discussions and dialogues are held on regular basis 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.sunway.com.my](http://www.sunway.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.sunway.com.my](http://www.sunway.com.my) from which investors and shareholders can access for information. Minutes of general meetings are uploaded in 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 all its stakeholders 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 in maximising shareholders value, 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 pivotal 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 adopts a Code of Conduct and Business Ethics which provides the ethical framework to guide actions and behaviours of all Directors and employees.

### **17.2 Environment**

- 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 is committed to drive the environmental agenda.

### **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 committee meeting logistics, attend and record minutes of all board and committee meetings and facilitate Board communications;
  - (b) Ensure 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' trainings and developments;
  - (e) Advise the Board on corporate disclosures and compliance with 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 the interpretation of 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. The Company Secretary 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 adapt to changing circumstances. Any amendment to the Board Charter can only be approved by the Board.

***SUNWAY***

**SUNWAY BERHAD**

Registration No. 201001037627 (921551-D)

**TERMS OF REFERENCE OF  
AUDIT COMMITTEE**

REVISED ON 25 November 2024

# SUNWAY BERHAD

Registration No. 201001037627 (921551-D)

## TERMS OF REFERENCE OF AUDIT COMMITTEE

### 1. MEMBERSHIP

- 1.1 The Audit Committee ("**Committee**") shall be appointed by the Board of Directors 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 Independent Directors as defined in Chapter 1 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) person:-
  - (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) have 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 No Alternate Director shall be appointed as a member of the Committee.
- 1.5 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.
- 1.6 The Board shall, upon the recommendation of the Nomination and Remuneration Committee, appoint the Chairperson of the Committee, who shall be an Independent Director. The Chairperson of the Committee shall not be the Chairperson of the Board.
- 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 1.6 above, the Board must fill the vacancy within three (3) months.

## *TERMS OF REFERENCE OF AUDIT COMMITTEE*

- 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. 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 present.
- 2.2 The Committee shall meet at least four (4) times a year and such additional meetings as the Chairperson 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 Chairperson 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 of the 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**

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

### **4. SECRETARY**

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



## TERMS OF REFERENCE OF AUDIT COMMITTEE

audit fees payable for each financial year does not exceed 50% of the total fee payable to the External Auditors, before recommending the same 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 are disclosed.
- (b) With the Internal Audit Department:
  - (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 audit plan of work programme, processes, the results of internal audit assessments and investigation undertaken including recommendations and actions taken;
  - (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 judgments 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 interest 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 as well as the measures taken to resolve, eliminate, or mitigate such conflicts.

- 6.4 To report any breach of the Listing Requirements, which has not been satisfactorily resolved, to Bursa Securities.

## TERMS OF REFERENCE OF AUDIT COMMITTEE

- 6.5 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 Committee pursuant to paragraph 6.3(e) (excluding a related party transaction), and the measures taken to resolve, eliminate, or mitigate such conflicts.
- 6.6 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 disclosure in the following reports:
    - (i) Corporate Governance Overview Statement which provides an overview of the application of the Practices set out in the Malaysian Code on Corporate Governance ("**MCCG**") in the Company's Integrated Annual Report; and
    - (ii) Corporate Governance Report which discloses the Company's application or departure of the Practices set out in the MCCG during the financial year in the prescribed format as provided by Bursa Securities.
  - (b) the statement on the Board's responsibility for the preparation of the annual audited financial statements.
  - (c) 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).
  - (d) the statement on risk management and internal controls to ensure that the relevant information as prescribed in the Listing Requirements of Bursa Securities are disclosed.
  - (e) 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 Executive Chairman 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.

***SUNWAY***

**SUNWAY BERHAD**

Registration No. 201001037627 (921551-D)

**TERMS OF REFERENCE OF  
NOMINATION AND REMUNERATION  
COMMITTEE**

REVISED ON 26 FEBRUARY 2025

# SUNWAY BERHAD

Registration No. 201001037627 (921551-D)

## TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

### 1. OBJECTIVES

- (a) The Nomination and Remuneration Committee ("**Committee**") is entrusted with identifying qualified individuals to serve as Board members 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. The Committee is guided by a Directors' Fit and Proper Policy in the review and assessment of potential candidates to be appointed onto the Board as well as Directors who are seeking re-election.
- (b) 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.
- (c) The Committee is to recommend for the 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 in which is embedded the Environmental, Social and Governance (ESG) considerations and long-term objectives of the Company and its Group.
- (d) Demonstrate to all stakeholders in the business that the remuneration of the Executive Directors and Key Senior Management of the Company is set by a Committee of the Board that has no personal interest in the outcome of their decisions and who will give due regard to the interests of the stakeholders and to the financial and commercial health of the Company.
- (e) The Committee reviews the Group's organisation health to ensure its ability to cope with change and continue to function with a high-performance workplace culture to drive sustainable performance.
- (f) 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

- (a) The Committee shall be appointed by the Board of Directors from among their number and shall comprise not fewer than three (3) in number.
- (b) The members of the Committee shall be Non-Executive Directors, a majority of whom must be independent. No alternate Director shall be appointed as member of the Committee.
- (c) The Board shall, upon the recommendation of the members, appoint a Chairperson of the Committee, who shall be an Independent Director of the Company. The Chairperson of the Board should not be a member of the Committee.

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

- (d) In the absence of the Chairperson of the Committee, the remaining members present shall elect one of their Independent Non-Executive members as chairperson of the meeting.
- (e) 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.
- (f) 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**

- (a) To determine the core competencies, experience and skills required of Directors to best serve the business and operations of the Company and its Group as a whole and the optimum size of the Board to reflect the desired skills, experience and competencies.
- (b) 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 are independent and comprises at least one (1) woman Director.
- (c) 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.
- (d) 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, evaluate the nature and extent of their conflict of interest (“**COI**”) or potential COI (including competing business), if any and 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 shall 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.

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

- (e) 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 shall explain why these sources suffice and other sources were not used.
- (f) To assess and recommend to the Board, the Directors of the Company to fill the seats on Board Committees.
- (g) 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.
- (h) To review the Board structure, its size and composition annually having regard to the scope and nature of the operations and the core competencies of the Directors.
- (i) To review and determine on an annual basis, the independence of Independent Directors.
- (j) 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.
- (k) To review the term of office and performance of the Committee and each of its members annually to determine whether the Committee and its members have carried out their duties in accordance with its terms of reference.
- (l) 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 the development in the market place and of the new statutory regulatory requirements.
- (m) To review the core competencies, experience and skills of candidates for Key Senior Management position and recommend their appointment to the Board.
- (n) To review Board succession plans for Directors and Key Senior Management positions.
- (o) To assess the performance of 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 COIs or potential COI including interest in competing business with the Group, if any.
- (p) To prepare a statement for inclusion in the Company's Integrated Annual Report on its activities in discharging its duties for the financial year.
- (q) 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.

- (r) To review the Policy on Selection and Assessment of Members of the Board of Directors and Board Composition to ensure its effectiveness and to recommend any revisions, if required, to the Board for consideration and approval.
- (s) To review the Fit and Proper Policy periodically and making any changes as and when the Committee deems fit, and recommend any such changes to the Board for consideration and approval.
- (t) To introduce such regulations, guidelines and/or procedures to function effectively and fulfill the Committee's objectives.

#### 4.2 **Remuneration Matters**

- (a) To recommend to the Board the remuneration of the Non-Executive Directors, Executive Directors and Key Senior Management.
- (b) To set formal policies and procedures and recommend to the Board, the remuneration framework for the Executive Directors and Key Senior Management. The remuneration package should be aligned with the business strategy and long term objectives of the Company.
- (c) To ensure that a fair differential between the remuneration of Executive Directors and other levels of management is maintained.
- (d) To conduct continued assessment of individual Executive Directors and Key Senior Management to ensure that remuneration is directly related to corporate and individual performance as well as taking into account the Group's performance in managing material sustainability risks and opportunities.
- (e) To obtain the advice and information from external source, if necessary, to benchmark the remuneration packages currently earned by the Executive Directors and Key Senior Management with the remuneration package paid to Executive Directors and Key Senior Management of other companies of a similar size in a comparable industry sector.
- (f) To ensure that the base salary element is competitive but fair.
- (g) To advise on and monitor, a suitable performance related formula i.e. whether the formula is based on individual performance, company profit performance, earnings per share, the Group's performance in managing material sustainability risks and opportunities, progress against the achievement of sustainability targets etc.
- (h) To provide an objective and independent assessment of the benefits granted to Executive Directors and Key Senior Management.
- (i) To introduce any policy or guidelines which would enable the smooth administration and effective discharge of the Committee's duties and responsibilities.
- (j) To furnish a report to the Board of any findings of the Committee.
- (k) To review the policies and procedures of the remuneration framework periodically.



**4.3 Organisational Health matters**

- (i) To assess the organizational health of the Group to ensure the alignment with the Group's overall philosophy and strategy/direction. This includes the following areas:
- Organizational structure;
  - Performance management (philosophy and structure);
  - Recognition and compensation (philosophy and structure);
  - Talent management and succession plans (process and candidates);
  - Learning and development (4Es: formal and informal);
  - Culture;
  - Employee engagement and morale;
  - Wellness, safety and health; and
  - Employee branding/value proposition.

**5. MEETINGS**

- (a) The Committee shall meet at least once a year. However, additional meetings may be called at any time at the Committee Chairperson's discretion or if requested to do so by any member or the Board of Directors.
- (b) In the absence of the Committee Chairperson, the remaining members present shall elect one of the Independent Non-Executive members as chairperson of the meeting.
- (c) A member of the Committee shall abstain from participating in discussions and decisions on matters directly involving him/her to avoid a COI situation.
- (d) The quorum for the meeting shall be two (2) members.
- (e) The Chairperson of the Committee, or the Committee with the approval from the Chairperson, may invite any person or persons to attend the Committee meetings, but not necessarily for the full duration of the meetings.
- (f) 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**

Where required, the Chairperson of the Committee shall report and update the Board on significant issues and concerns discussed and where appropriate, make the necessary recommendations to the Board.

**7. SECRETARY**

- (a) The Secretary to the Committee shall be the Company Secretary.
- (b) The Secretary of the Committee shall be responsible, with the concurrence of the Chairperson, for drawing up and circulating the agenda and the notice of meetings

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

together with the supporting explanatory documentation to members prior to each meeting.

- (c) 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.

***SUNWAY***

**SUNWAY BERHAD**

Registration No. 201001037627 (921551-D)

**TERMS OF REFERENCE OF  
RISK MANAGEMENT COMMITTEE**

REVISED ON 25 NOVEMBER 2024

**SUNWAY BERHAD**  
**Registration No. 201001037627 (921551-D)**

**TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE**

**1. INTRODUCTION**

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

**2. COMPOSITION**

- a. The Committee shall be appointed by the Board of Directors and shall comprise a majority of Independent Directors. The Committee shall comprise not less than 3 members. The appointment terminates when a member ceases to be a Director.
- b. No alternate Director shall be appointed as a member of the Committee.
- c. The Board shall, upon recommendation of the Nomination and Remuneration Committee, appoint the Chairperson of the Committee, who shall be an elected from one of the Independent Directors.
- d. In the event of any vacancy in the Committee resulting in the number of members being reduced to below 3, the Board shall, within 3 months, fill the vacancy.
- e. The Board shall have the discretion as it deems fit to rescind and/or revoke the appointment of any person(s) in the Committee.
- f. Members of the Committee may relinquish their membership in the Committee with prior written notice to the Company Secretary.

**3. DUTIES AND RESPONSIBILITIES**

The Committee oversees the Group's overall risk management and compliance frameworks and all its related policies. The Committee reviews these frameworks 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.

The Committee is accountable to the Board and is responsible to advise the Board on the adequacy and effectiveness of the risk management and compliance frameworks.

The Committee's main duties and responsibilities include the following:-

- a. reviewing and recommending for the Board's approval, the appropriate risk management and compliance frameworks;

## **TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE**

- b. reviewing and assessing the relevance and adequacy of the risk management and compliance frameworks, governance structure and processes and its continuous benchmark against relevant standards;
- c. reviewing and recommending risk management strategies, policies and level of risk tolerance for the Board's approval;
- d. 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 sustainability-related risks;
- e. ensuring infrastructure, resources and systems are in place and adequate for the risk management and compliance functions;
- f. reviewing management's periodic reports on risk exposure, risk profile, risk mitigation and compliance activities to ensure adequacy and effectiveness;
- g. 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 for the Group and recommend the aforesaid to the Board for approval on an annual basis;
- h. reviewing the enterprise risk rating and determine the critical risks to be escalated to the Board on a quarterly basis;
- i. promoting better governance culture and ethical behaviour within the Group by ensuring that structured policies and procedures on anti-bribery and corruption, anti-money laundering, anti-terrorism financing and proceeds of unlawful activities and other Group-wide mandatory policies are in place;
- j. reviewing bribery and corruption, money laundering, terrorism financing and proceeds of unlawful activities risks as part of the quarterly and annual risk assessment of the Group;
- k. ensuring proactive and effective measures in monitoring and mitigating material sustainability-related risks which could affect the Group's assets;
- l. reviewing of new ventures, investments or land acquisitions involving a new country or new sector, in accordance with established threshold in the approved Discretionary Authority Limit Policy, focusing on the evaluation of the associated risks, and advising on potential risk response strategies and risk mitigation actions that need to be adopted for such endeavours; and
- m. reviewing the Statement on Risk Management and Internal Control for inclusion in the Company's Integrated Annual Report to ensure that the relevant information as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are disclosed, and to recommend the same for the approval of the Board.

The Committee shall be assisted by the Group Risk & Compliance Division ("**GRC**").

## ***TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE***

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

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.

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.

The Committee is authorised to make recommendations to the Board on appropriate actions to be taken, resulting from such assessment.

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**

- a. The Committee shall meet at least quarterly in a year. Additional meetings may be called at any time at the Committee Chairperson's discretion.
- b. The quorum for the Committee meeting shall be 2 members, who must be Independent Directors.
- c. The Head or representative of GRC 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.
- d. 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 Chairperson of the Committee shall report the proceedings of each Committee 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**

The Secretary to the Committee shall be the Company Secretary.

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

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

## ***TERMS OF REFERENCE OF RISK MANAGEMENT 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 the best practices. Any amendments herein must be approved by the Board.

***SUNWAY***

**SUNWAY BERHAD**

Registration No. 201001037627 (921551-D)

**TERMS OF REFERENCE OF  
SUSTAINABILITY COMMITTEE**

REVISED ON 13 DECEMBER 2023



# SUNWAY BERHAD

Registration No. 201001037627 (921551-D)

## TERMS OF REFERENCE OF SUSTAINABILITY COMMITTEE

### 1. **MEMBERSHIP**

- 1.1. The Sustainability Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall consist of not less than three (3) members.
- 1.2. At least two (2) members of the Committee must be Independent Directors as defined in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**").
- 1.3. No Alternate Director shall be appointed as a member of the Committee.
- 1.4. The members of the Committee shall elect a Chairperson from amongst their members.
- 1.5. The Chairperson of the Committee shall not be the Chairperson of the Board.
- 1.6. 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 or 1.2 above, the Board must fill the vacancy within three (3) months.
- 1.7. The Board shall have the discretion as it deems fit to rescind and/or revoke the appointment of any person(s) in the Committee.
- 1.8. Members of the Committee may relinquish their membership in the Committee with prior written notice to the Company Secretary.
- 1.9. The terms of office and performance of the Committee and each of its members shall be reviewed by the Nomination & Remuneration Committee annually. 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 present.
- 2.2. The Committee shall meet at least two (2) 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 or non-member Directors, the Chairperson shall convene a meeting of the Committee to consider the matters brought to its attention.
- 2.4. The non-member Directors and employees of the Company and of the Group shall normally attend the meetings at the Committee's invitation, to assist in its deliberations and resolutions of matters raised.

## *TERMS OF REFERENCE OF SUSTAINABILITY COMMITTEE*

### **3. REPORTING**

- 3.1. In addition to the availability of detailed minutes of the Committee Meetings to the Board, the Chairperson of the Committee will report a summary of significant matters and resolutions at the Board Meetings.

### **4. SECRETARY**

- 4.1. The Secretary of the Committee shall be any persons as the Committee may appoint.
- 4.2. The Secretary of the Committee shall be responsible, with the concurrence of the Chairperson, 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**

- 5.1. The Committee is authorised to:-
  - 5.1.1. Investigate any matter within its terms of reference.
  - 5.1.2. Have adequate resources required to perform its duties.
  - 5.1.3. Engage and authorise expenses for independent consultants and other advisors as the Committee deems necessary to perform its duties.
  - 5.1.4. Have full and unrestricted access to information, records and documents relevant to its activities.
- 5.2. The Committee may conduct or may authorise a third party to conduct specific assessment into any activity or function so far as it relates to the duties of the Committee and is in accordance with this term of reference.
- 5.3. The Committee is not authorised to implement its recommendations on behalf of the Board but shall report its recommendation back to the Board for its consideration and implementation.

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

- 6.1. To review, supervise and recommend Sunway Berhad's sustainability strategy and issues, key environmental, social and governance ("**ESG**") targets and performance, progress and scorecard to the Board of Directors to advance the sustainability leadership of the Company.
- 6.2. To oversee and monitor the development of sustainability strategies approved by the Board and monitor the adequacy of resources allocated in achieving compliance with strategies, targets, policies and roadmap pertaining to the Company's sustainability agenda.
- 6.3. To monitor and review the key performance indicator ("**KPI**") in relation to the ESG that are criteria for yearly appraisal and remuneration.

## **TERMS OF REFERENCE OF SUSTAINABILITY COMMITTEE**

- 6.4. To highlight potential ESG risks to the Risk Management Committee.
- 6.5. To oversee the processes, standards and strategic directions designed to manage ESG risks, as well as identify potential opportunities to enhance the Company's adoption and adaptation.
- 6.6. To consider and recommend to the Board on the Company's position pertaining to emerging sustainability issues.
- 6.7. To consider any material sustainability matters that are referred to it by the Board.
- 6.8. To review Sunway Berhad's Sustainability Report and recommend it for the Board's approval.
- 6.9 To undertake such other function as may be determined by the Board from time to time.
- 6.10 To delegate any action in support of its function to a competent person, providing the terms of delegation are documented in the Committee's record, but it shall not delegate accountability to the Board.

### **7. SUNWAY GROUP SUSTAINABILITY DEPARTMENT (SSS)**

- 7.1 To assist the Committee in making informed decisions to integrate the Group's sustainability strategies into business operations and implement initiatives towards achieving the Group's sustainability goals.
- 7.2 To oversee and monitor sustainability trends, governance and reporting besides overseeing key sustainability risks and opportunities, stakeholder engagement as well as materiality assessment.
- 7.3 To chair the Sustainability Committee ("SC") across all Business Units and Group functions, and communicate the Group's sustainability direction to the SC. The SC comprises Business Units' Heads of Departments and their line managers, who are accountable for their ESG performances that are linked to their remuneration and appraisal.

### **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.

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