

# **TERMS OF REFERENCE INVESTMENT COMMITTEE**

## **1. BACKGROUND**

1.1 The Board of Directors of the Company ('the Board') has resolved to establish an Investment Committee ('the Committee').

1.2 The Committee has an independent function with accountability to the Board. It does not assume the functions of management, which remain the responsibility of executive directors, and executive and senior management.

## **2. OBJECTIVES**

2.1 The Board has delegated to the Committee responsibility for the investigation and assessment of new projects and business opportunities presented to it by management and the purpose of the Committee is to assist the Board in assessing and reviewing opportunities with regard to significant investment projects, particularly from a strategic, technical and operational point of view so as to provide an accurate basis for decision making.

2.2 Being accountable to the Board, the Committee is not authorised to approve individual projects, acquisitions, or investments or commit the Company, but to work with executive management to review and evaluate new business opportunities and initiatives and make recommendations to the Board for approval.

2.3 All potential acquisition and/or investments of the Company and the Group as a whole must be brought to the Committee at the earliest stage possible in order to obtain in principle support before entering into detailed negotiations and workstreams.

## **3. COMPOSITION**

3.1 Members of the Committee shall be appointed in consultation with the Chairman of the Committee and approved by the Board of Kumpulan Fima Berhad. At the time of approval of these terms of reference, the Chairman of the Committee is Dato' Idris bin Kechot.

3.2 The Committee shall comprise of at least three (3) board members from Kumpulan Fima Berhad and Fima Corporation Berhad. The appointment terminates when a member ceases to be a director of Kumpulan Fima Berhad and Fima Corporation Berhad, as the case may be.

3.3 Independent external individual(s) with relevant industry experience may also be appointed to the Committee ("External Members"). The tenure for External Members shall be for a fixed period of one (1) year.

3.4 All and any members of the Board of Kumpulan Fima Berhad and Fima Corporation Berhad who are not members of the Committee may attend the meetings of the Committee by invitation, but may not vote.

#### **4. AUTHORITY**

4.1 The Committee is authorised by the Board to:

- (a) undertake any activities required to discharge its responsibilities within its terms of reference and make relevant recommendations to the Board;
- (b) seek any information, clarification, or explanation that it requires from the Company Secretary, any Group employee or third parties in order to perform its duties;
- (c) engage and retain, at the Company's expense, independent legal or other professional advice on any matters which are within its terms of reference and to invite the relevant parties to attend meetings of the Committee;
- (d) exercise such other powers as the Committee may consider necessary and expedient for the proper performance of its duties set out hereunder; and
- (e) consider other matters delegated by the Board.

#### **5. DUTIES AND RESPONSIBILITIES**

5.1 The Committee shall carry out the duties below for the Company and the Group as a whole, as appropriate. These expressed duties and responsibilities serve as a guide with the understanding that the Committee may carry out additional duties and responsibilities as may be appropriate or as the case so warrant.

5.2 The Committee is empowered to investigate and assess any matter of interest or concerns as the Committee sees fit and appropriate, provided that the Committee acts within its scope.

5.3 The duties of the Committee shall include:

- (a) review all transactions identified and proposed by management and for which board approval is required, for consistency with the Company's strategic plan for such activities;
- (b) assist management and the board in evaluating the proposed commercial proposals, transactions or undertakings which may include, but is not limited to, purchase price, equity and capital expenditure or requirements and such other terms or considerations in respect of any of the proposed transaction and, as appropriate, recommend specific limits thresholds, exemptions or pre-conditions and the terms and condition prior to making commitment for and on behalf of the Company;
- (c) assess the viability of capital projects, investments, joint-ventures, acquisitions and/or disposals and the effect on the Group's cash flows;
- (d) ensure that investments, acquisitions and/or disposals increase shareholder value, meet the Company's financial criteria and standard and generally make viable business sense;
- (e) assist management and the board in assessing the specific risks and issues involved in each transaction that the Company is pursuing;
- (f) review and recommend to the Board regarding the Company's due diligence in respect of any proposed transaction and to mitigate risk for each transaction undertaken by the Company;

(g) assist management in developing effective disclosures to the Board of the appropriate business, financial, technical and other information to permit fully informed review and evaluation of proposed transactions;

(h) report to the Board on the terms, conditions, progress and status of each transaction being evaluated by the Committee or recommended to the Board for approval;

(i) conduct appropriate, periodic evaluations of transactions and provide feedback on significant investment projects pursued and completed by the Company;

(j) advise management from time to time on the engagement of appropriate external financial and technical advisors in connection with material acquisitions or divestitures, including a review of the terms of their proposed compensation; and

(k) undertake any such other functions or matters as may be determined or delegated by the Board.

## **6. QUORUM AND VOTING**

6.1 The quorum necessary for the transaction of business shall be a majority of members present, subject to the non-executive directors being in the majority. Persons attending meetings of the Committee by invitation do not form part of the quorum.

6.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to chair the meeting.

6.3 The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present.

6.4 Members of the Committee with an interest in the matter under discussion shall declare such interest and recuse themselves from discussion and voting on the matter.

## **7. MEETINGS ADMINISTRATIONS**

7.1 The Committee shall meet as often as it deems necessary to undertake its role and to fulfil its responsibilities effectively.

7.2 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members and chaired by the Committee Chairman or elected member in the Chairman's absence.

7.3 Unless otherwise agreed by all Committee members, notice of each meeting confirming the venue, time and date and dial-in details (if required), together with an agenda of the items to be discussed and supporting documentation, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting, or as soon as practicable.

7.4 Meetings may be held in person, by telephone or by video conference, provided that all persons participating in the meeting are capable of hearing each other.

## **8. SECRETARY**

8.1 The company secretaries of Kumpulan Fima Berhad and Fima Corporation Berhad, or such other persons appointed by the Committee and approved by the Board, shall be the Committee joint secretaries ("Company Secretary").

8.2 The Company Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

8.3 Draft minutes of Committee meetings shall be circulated to all members of the Committee. Once approved, minutes shall be available to all other members of the Board upon request, unless it would be inappropriate to do so.

## **9. EVALUATION**

The Committee shall, at regular intervals review its own performance, composition and terms of reference and recommend any changes it considers necessary to the Board for approval. The Board shall review the performance of the Committee, its composition and terms of reference on an annual basis.

## **10. REPORTING RESPONSIBILITIES**

9.1 The Committee Chairman shall accordingly report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

9.2 The Committee shall make such recommendations to the Board as it deems appropriate, for approval.

**Approved by the Board of Fima Corporation Berhad on 21 February 2024.**