

TERMS OF REFERENCE OF THE FINANCE AND INVESTMENT COMMITTEE

1.0 PURPOSE

The primary objective of the Finance and Investment Committee (“FIC”) is to assist the Board of Directors of S P Setia Berhad (“Board”) in the effective discharge of its fiduciary responsibilities in relation to S P Setia Berhad (“the Company”) and its subsidiaries (“Group”)’s financial investments and funding requirements.

2.0 COMPOSITION

2.1 The members of the FIC shall be appointed by the Board from among its members and:

- (i) shall comprise of at least 3 Non-Executive Directors of the Company; and
- (ii) a majority of its members must be Independent Directors of the Company.

2.2 The Chairman of the FIC shall be appointed by the Board from among the members of the FIC and shall be an Independent Director of the Company.

2.3 If for any reason the membership falls below 3 members, the Board shall within 1 month of the event, appoint such number of new member(s) as may be required to fulfill the minimum requirement.

3.0 REPORTING RESPONSIBILITIES

3.1 The FIC will report to the Board on the nature and extent of the functions performed by it and may make such recommendations to the Board on the Group’s investment policies and matters as it may think fit.

4.0 ATTENDANCE AT MEETINGS

4.1 The FIC may request members of management to participate in its meetings, as it may deem fit.

4.2 The company secretary shall be the secretary of the FIC or failing which, a representative from the Group Secretariat Department of the Company.

5.0 FREQUENCY OF MEETINGS

- 5.1 The FIC to convene its meeting at least four times a year and convene additional meetings as and when necessary. Notice of meetings shall be circulated to the members 5 working days in advance.
- 5.2 Upon the request of any member of FIC, the Chairman of FIC shall convene a special meeting to consider such other matters.
- 5.3 Decisions taken at any meeting shall be decided by a majority vote, each member having one vote and in the event of an equality of votes, the Chairman shall have a second or casting vote. If there are only 2 members present at a meeting, the Chairman shall not have a casting vote.

6.0 QUORUM

The quorum for any meeting shall be two (2) members which shall be Independent Non-Executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

7.0 AUTHORITY

- 7.1 The FIC shall have the following authority as empowered by the Board:
- (i) Have the resources required to perform its duties.
 - (ii) Have full and unrestricted access to any information, records, properties and personnel within the Group.
 - (iii) Be able to obtain independent professional advisers or other advisers.
- 7.2 To engage outsiders with relevant experience and expertise if necessary.

8.0 DUTIES

- 8.1 The duties of the FIC shall include:
- (i) Review, evaluate and assess prospective investments and divestments (other than those undertaken during the ordinary course of business) taking into account of factors such as strategic rationale, return on investment and resource requirements of those prospects, and make appropriate recommendations to the Board. This includes and is not limited to mergers and acquisitions, partnerships and large capital expenditure projects.
 - (ii) Review, evaluate and assess the equity and debt fund raising exercise (other than project financing) including provision of corporate guarantees by the Company for financing granted by financial institutions to the Group, and make recommendation to the Board.

- (iii) Monitor the debt position and funding of the Group.
- (iv) Review, evaluate and assess the proposed payments of ordinary and preference dividends including satisfaction of the solvency test pursuant to Section 132 of the Companies Act, 2016.
- (v) Review the Treasury Policy of the Group to ensure effective management of all funding and maximize the income associate with the investment of surplus cash balance, securing a competitive return on them.
- (vi) Carry out other necessary duties as agreed by the Board.

9. OTHERS

- 9.1 The confirmed minutes of the meetings of FIC shall be tabled at the Board Meeting of the Company.
- 9.2 The Chairman of the FIC shall report to the Board after each meeting.