



CREDIT GUARANTEE CORPORATION MALAYSIA BERHAD

TERMS OF REFERENCE

BOARD BUMIPUTERA DEVELOPMENT COMMITTEE

1. Mandate

1.1 Pursuant to Article 95 of CGC's Constitution, the Board of Directors ("Board") may delegate any of its powers to committees, consisting of such member or members of the Board of Directors as it thinks fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.

2. Objective

2.1 The primary objective of the Board Bumiputera Development Committee ("BBDC") is to provide strategic guidance and direction with regards to the overall development of Bumiputera SMEs under CGC's various programmes.

2.2 The BBDC is to drive the Bumiputera agenda and report to the Board for consideration of proposals and recommendations presented at the BBDC Meetings.

2.3 The BBDC is to ensure activities relating to Bumiputera business development are planned and monitored closely.

3. Composition

- 3.1 The appointment to the BBDC shall be made by the Board.
- 3.2 The BBDC shall comprise at least three (3) Non-Executive Directors as its Members (“BBDC Member/s”), of which the majority shall be independent.
- 3.3 The Board shall appoint the Chairman of the BBDC (“Chairman”) who is an Independent Non-Executive Director.
- 3.4 In the absence of the Chairman, the BBDC Members present shall elect an Independent Non-Executive Director among themselves to chair the BBDC Meeting.
- 3.5 The President / Chief Executive Officer or any other persons may be invited to attend the BBDC Meeting as the BBDC may deem appropriate and necessary.

4. Secretary

- 4.1 The General Counsel & Company Secretary or his/her nominee shall act as the Secretary of the BBDC (“Secretary”).

5. Quorum

- 5.1 The quorum necessary for the transaction of business shall be three (3) BBDC members present at the BBDC Meeting.

6. Frequency and Attendance

- 6.1 The BBDC shall meet sufficiently regularly to discharge its duties effectively. The regularly scheduled BBDC Meetings shall be held at least four (4) times in each financial year or at any such number of times(s) as the Committee Members may deem necessary to fulfil the Committee Members responsibilities.
- 6.2 Additional meetings may be convened as and when urgent issues and important decisions are required to be taken between the scheduled BBDC Meetings.
- 6.3 BBDC Meetings will be scheduled in advance before the end of the current financial year to enable the BBDC Members to plan ahead and accommodate next year's BBDC Meetings into their respective meeting schedules.
- 6.4 A BBDC Meeting may be summoned by the Chairman or the Secretary on requisition of any BBDC Members.
- 6.5 A BBDC Member must attend at least 75% of the BBDC Meetings held in each financial year.

7. Proceedings

- 7.1 BBDC Meetings shall be governed as follows:-
- (i) The time and place of the BBDC Meeting will be determined from time to time by the BBDC Members.
 - (ii) A reasonable prior written Notice or Meeting shall be given to each BBDC Member, preferably seven (7) working days before the date of the BBDC Meeting. The Notice of Meeting may be waived subject to the consent of all BBDC Members.

- (iii) The Secretary, in consultation with the Chairman, shall draw up the BBDC Meeting Agenda (together with associated material) for circulation to each BBDC Member, preferably seven (7) working days before the date of the BBDC Meeting.
- (iv) The BBDC papers, proposal and reports shall clearly address the background, objective, key issues, rationale, impact and other relevant information to enable the BBDC Members to make an informed and effective decision.
- (v) The BBDC Members shall have full and unrestricted access to all information within CGC and may obtain the resources which it requires including but not limited to expert advice, both internal and external to enable the BBDC to fulfil its objectives.
- (vi) BBDC Meetings may be convened by way of instantaneous telecommunication device such as telephone, video conferencing or other electronic means of audio or audio-visual communications.

Participation by a BBDC Member in a meeting by way of instantaneous telecommunication device shall be treated as presence in person by that BBDC Member at the said meeting and shall be counted towards the quorum notwithstanding the fact that he is not physically present at the meeting venue where the meeting is to be held.

- (vii) A BBDC Member shall declare at the BBDC Meeting if the BBDC Member or his/her family (whether directly or indirectly):-
 - (a) has interest in CGC's contract or proposed contract; or

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- (b) hold any interests, offices or possesses properties relating to any matter deliberated in the BBDC Meeting which will be or is in conflict with his/her duties as a Director of CGC (conflict of interest).

("family" shall include the BBDC Member's spouse, parent, child (including adopted child and stepchild), brother, sister and the spouse of his/her child, brother or sister.)

- (viii) In the event of declared interest by the BBDC Member: -
 - (a) the Secretary shall minute the declaration;
 - (b) the relevant BBDC Member shall not participate in the discussion at the BBDC Meeting; and
 - (c) the relevant BBDC Member shall not vote on the interested matter (but will still be counted for quorum).
- (ix) Each BBDC Member is entitled to one (1) vote in deciding the matters deliberated in the BBDC Meeting.
- (x) The decision that gained the majority votes shall be the decision of the BBDC.
- (xi) In the event of an equality of votes, the Chairman of the BBDC Meeting shall be entitled to a second or casting vote.
- (xii) Unless otherwise decided by the BBDC Members, the BBDC Meeting session may be electronically recorded.

8. Minutes of BBDC Meetings

- 8.1 The minutes of the BBDC Meeting, where required, shall incorporate the proceeding, deliberation and resolution made at the BBDC Meeting including dissenting view, recommendation, decision and directive.
- 8.2 The draft minutes of BBDC Meeting (“BBDC Minute”) duly approved by the Chairman shall be circulated to the BBDC Members preferably within seven (7) working days from the date of the BBDC Meeting.
- 8.3 Upon conformation by the BBDC, the fair copy of the BBDC Minutes shall be executed by the Chairman of the Meeting or the next Committee Meeting.
- 8.4 The duly executed BBDC Minutes will be entered in CGC’s BBDC Minutes Book within fourteen (14) working days from the date of the BBDC Meeting.
- 8.5 Reproduction of any part of the BBDC Minutes can only be performed through/by the Secretary.

9. Circular Resolution

- 9.1 In between BBDC Meetings, approvals or recommendations by the BBDC on urgent or important business matters may be made via Circular Resolution enclosing all relevant information to enable the BBDC Members to make informed decisions.
- 9.2 The Circular Resolution in writing duly signed by all BBDC Members save for BBDC Member who is precluded or prohibited from voting on same shall be as effective for all purposes as a resolution passed at a BBDC Meeting duly convened, held and constituted. For avoidance

of doubt, electronic signatures, whether digital or encrypted, shall have the same force and effect as original signatures.

- 9.3 The expressions "in writing" or "signed" include approval by deemed legible confirmed transmission by facsimile, telex, cable, telegram or other forms of electronic communications.
- 9.4 The date of the Circular Resolution shall be the date on which the last BBDC Member signed the Circular Resolution.
- 9.5 All Circular Resolutions signed by the BBDC Members shall be tabled for notation at the next BBDC Meeting.

10. Duties and Responsibilities

- 10.1 The BBDC shall advise on the strategic directions related to the development of Bumiputera SMEs particularly on:-
- (a) the management and operations of special Bumiputera funds,
 - (b) access to financing, and
 - (c) Bumiputera development programs.
- 10.2 The primary responsibilities of the BBDC are as follows:-
- (i) To ensure Bumiputera SMEs are provided with necessary access to financing at reasonable cost.
 - (ii) To ensure that the special fund(s) are well-managed and channelled to eligible Bumiputera SMEs.
 - (iii) To ensure that appropriate policies and procedures are established for the management and operation of special fund(s).

- (iv) To review and recommend to the Board or the appropriate authorities on policies and procedures with regards to the development of Bumiputera SMEs.
- (v) To oversee programs for the development of Bumiputera SMEs.
- (vi) To advise on any matters related to Bumiputera development which is referred to or raised at BBDC.

11. Reporting to the Board

- 11.1 The Chairman shall report to the Board on material matters arising at BBDC Meetings, on all matters within the BBDC's purview, and where applicable, shall present the BBDC's recommendations for the Board's decision / approval.

12. Annual General Meeting

- 12.1 The Chairman is required to attend CGC's Annual General Meeting (or Extraordinary General Meeting) to answer any Shareholder's questions on the BBDC's activities.

13. Communication to the Management

- 13.1 Decision made by the BBDC shall be communicated by the Secretary to the Management in due course to ensure that the decisions and directions are executed in a timely manner.
- 13.2 The Management shall take immediate action on all matters arising from the BBDC Meeting and update the BBDC Members on the status of these matters at the next BBDC Meeting or via circulation of memorandum, if deemed urgent.

14. Other Provisions

14.1 This Terms of Reference (TOR) may be amended by the Board from time to time in order to retain its usefulness.

14.2 Unless otherwise restricted under the law, CGC's Constitution or by the Board, nothing herein stated shall restrict the BBDC from delegating specific responsibilities to the Management or any person.