



CREDIT GUARANTEE CORPORATION MALAYSIA BERHAD

TERMS OF REFERENCE

BOARD IT COMMITTEE

1. Mandate

1.1 Pursuant to Article 95 of CGC's Constitution, the Board of Directors ("Board") may delegate any of its power to committees, consisting of such member or members of the Board. 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 In line with the mandate, the Board IT Committee ("BITC") is formed with the objective to assist the Board in the overall IT strategy and governance.

3. Composition

3.1 The appointments to the BITC shall be made by the Board.

3.2 The Board ITC shall comprise at least three (3) Non-Executive Directors as its Members ("BITC Member/s"), of which the majority shall be independent.

3.3 The Board shall appoint the Chairman of the BITC ("Chairman") who is an Independent Non-Executive Director.

3.4 In the absence of the Chairman, the BITC Members present shall elect an Independent Non-Executive Director among themselves to chair the BITC Meeting.

3.5 The President / Chief Executive Officer or any other persons may be invited to attend the BITC Meeting as the BITC 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 BITC ("Secretary").

5. Quorum

5.1 The quorum necessary for the transaction of business shall be three (3) with at least two (2) BITC Members present in person at the meeting.

6. Frequency and Attendance

6.1 The BITC shall meet sufficiently regularly to discharge its duties effectively. The regularly scheduled BITC Meetings shall be held at least four (4) times in each financial year, one in every three (3) months or at any such number of time(s) as the Board requires or as the BITC Members may deem necessary to fulfill the BITC's responsibilities.

6.2 Additional meetings may be convened as and when urgent issues and important decisions are required to be taken between the scheduled BITC Meetings.

- 6.3 BITC Meetings will be scheduled in advance before the end of the current financial year to enable the BITC Members to plan ahead and accommodate the next year's BITC Meetings into their respective meeting schedules.
- 6.4 A BITC Meeting may be summoned by the Chairman or the Secretary on requisition of any BITC Members.
- 6.5 A BITC Member must attend at least 75% out of the BITC Meetings held in each financial year.

7. Proceedings

7.1 BITC Meetings shall be governed as follows:-

- (i) The time and place of the BITC Meeting will be determined from time to time by the BITC Members.
- (ii) A reasonable prior written Notice of Meeting shall be given to each BITC Member, preferably seven (7) working days before the date of the BITC Meeting. The Notice of Meeting may be waived subject to the consent of all BITC Members.
- (iii) The Secretary, in consultation with the Chairman, shall draw up the BITC Meeting Agenda (together with associated material) for circulation to each BITC Member, preferably seven (7) working days before the date of the BITC Meeting.
- (iv) The BITC papers, proposal and reports shall clearly address the background, objective, key issues, rationale, impact and other relevant information to enable the BITC Members to make an informed and effective decision or recommendation to the Board.

- (v) The BITC 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 BITC to fulfill its objectives.

- (vi) BITC 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. The Chairman of the BITC Meeting shall be one of the BITC Members physically present at the BITC Meeting.

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

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

("family" shall include the BITC 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 BITC Member:-
 - (a) the Secretary shall minute the declaration;

 - (b) the relevant BITC Member shall not participate in the discussion at the BITC Meeting; and

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

8. Minutes of Board ITC Meetings

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

9. Circular Resolution

- 9.1 In between BITC Meetings, approvals or recommendations by BITC on urgent or important business matters may be made via Circular Resolution enclosing all relevant information to enable the BITC Members to make informed decisions.
- 9.2 The Circular Resolution in writing duly signed by all BITC Members save for BITC Member who is precluded or prohibited from voting on same shall be as effective for all purposes as a resolution passed at a BITC 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 legible confirmed transmission by facsimile, telex, cable, telegram or other forms of electronic communications.
- 9.4 The date of the Circular Resolutions shall be the date on which the last BITC Member signed the Circular Resolution.
- 9.5 All Circular Resolutions signed by the BITC Members shall be tabled for notation at the next BITC Meeting.

10. Duties and Responsibilities

- 10.1 The roles of the BITC are to:-
- (a) Provide direction on overall IT strategies and governance.
 - (b) Review matters pertaining to IT policies/ guidelines/ framework/ etc.
 - (c) Monitor the progress of strategic IT projects implementation,

- (d) Monitor and take cognisance of future technology, trend and development of IT industry; and
- (e) Monitor and review progress of digital competency.

11. Reporting to the Board

11.1 The Chairman shall report to the Board on material matters arising at BITC Meetings, on all matters within the BITC's purview and, where applicable, shall present the BITC'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 BITC's activities.

13. Communication to the Management

13.1 Decision made by the BITC 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 BITC Meeting and update the BITC Members on the status of these matters at the next BITC Meeting or if deemed urgent via circulation of memorandum.

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 the Board, nothing herein shall restrict the BITC from delegating specific responsibilities to the Management or any person.