



CREDIT GUARANTEE CORPORATION MALAYSIA BERHAD

TERMS OF REFERENCE BOARD INVESTMENT 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 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 In line with the mandate, the Board Investment Committee ("BIC") is formed with the objective to review investment objectives, strategies, policies and guidelines and provide strategic directions governing the investment activities of CGC.

3. **Composition**

3.1 The appointment to the BIC shall be made by the Board.

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

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

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

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

5. Quorum

5.1 The quorum necessary for the transaction of business shall be three (3) BIC Members present at the BIC Meeting.

6. Frequency and Attendance

6.1 The BIC shall meet sufficiently regularly to discharge its duties effectively. The regularly scheduled BIC 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 BIC Members may deem necessary to fulfil the BIC’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 BIC Meetings.

6.3 BIC Meetings will be scheduled in advance before the end of the current financial year to enable the BIC Members to plan ahead and accommodate next year’s BIC Meetings into their respective meeting schedules.

6.4 A BIC Meeting may be summoned by the Chairman or the Secretary on requisition of any BIC Members.

6.5 The BIC Member must attend at least 75% out of the BIC Meetings held in each financial year.

7. Proceedings

7.1 BIC Meetings shall be governed as follows:-

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

- (vi) BIC 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 BIC Member in a meeting by way of instantaneous telecommunication device shall be treated as presence in person by that BIC 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 BIC Member shall declare at the BIC Meeting if the BIC Member or his/her family (whether directly or indirectly):-

- (a) has interest in CGC's contract or proposed contract; or
- (b) hold any interests or offices relating to any matters deliberated in the BIC Meeting which will be or is in conflict with his/her duties as a Director of CGC (conflict of interest).

("family" shall include the BIC 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 BIC Member:-

- (a) the Secretary shall minute the declaration;
- (b) the relevant BIC Member shall not participate in the discussion at the BIC Meeting; and
- (c) the relevant BIC Member shall not vote on the interest matter (but will still be counted for quorum).

- (ix) Each BIC Member is entitled to one (1) vote in deciding the matters deliberated in the BIC Meeting.
- (x) The decision that gained the majority votes shall be the decision of the BIC.
- (xi) In the event of an equality of votes, the Chairman of the BIC Meeting shall be entitled to a second or casting vote.
- (xii) Unless otherwise decided by the BIC Members, the BIC Meeting session may be electronically recorded.

8. Minutes of BIC Meetings

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

9. Circular Resolution

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

10. Duties and Responsibilities

- 10.1 The BIC is accountable to the Board, for overseeing the investment of the Fund. The BIC shall:-
- (i) Set strategic and forward-looking investment agenda;
 - (ii) Review and set Asset Allocation Strategy, in terms of Risk and Returns;

- (iii) Review and approve all policies, guidelines, limit frameworks and concept papers relating to investment portfolio management;
- (iv) Review the performance of the investment portfolios, in terms of returns, diversification, and risk profile;
- (v) Determine risk-review objectives and ensure effective risk monitoring and management;
- (vi) Review talent-quality and long-term talent development; and
- (vii) Deliberate, recommend and/or approve, of which within its authority, any investment related matters proposed by the Management of the Corporation.

11. Reporting to the Board

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

13. Communication to the Management

13.1 Decision made by the BIC 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 BIC Meeting and update the BIC Members on the status of these matters at the next BIC 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 by the Board, nothing herein shall restrict the BIC from delegating specific responsibilities to the Management or any person.