



**NTPM HOLDINGS BERHAD**  
**INVESTMENT COMMITTEE**  
**TERMS OF REFERENCE**



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## **1. OBJECTIVE**

The Objective of the Investment Committee (“IC” or “Committee”) is to assist the Board of Directors of the Company to act within the agreed delegated authority from the Board for the purpose of reviewing the following investment proposals (“Proposals”):-

- a) Merger, acquisition and disposal transactions;
- b) Capital investments as proposed by the Management;
- c) The participation in joint venture or partnership or similar arrangement;
- d) Memorandum of understanding (MOUs), Letters of Intent (LOIs) and formation of legal entities
- e) Other capital investments and financial commitments, including:-
  - Investment in associates or Joint Venture entities both direct or indirect where required under the relevant shareholders’ agreement or Joint Venture Agreement;
  - Long term investment (other than pre-sanction capital expenditure where the capital expenditure occurs prior to the year of sanction or had been approved by the Board of Directors);

Provided always that the above Proposal(s) has/have not been endorsed or approved by the Board during the review of the Company’s annual capital expenditure budget which involve the capital expenditure to be incurred for ordinary course of business (“Yearly CAPEX Mandate”).

In the case of approvals, the Committee’s authority level is to be determined by the Board of Directors and subject always to the final approval to be obtained from the Board and/or the shareholders or the regulatory approval (as the case may be) within the ambit of the provisions of the Listing Requirements of Main Market of Bursa Malaysia Securities Berhad.

## **2. COMPOSITION**

- i. The Committee shall consist of not fewer than four (4) members, all of whom shall be duly appointed by the Board. The Chairman of the Committee must be Independent Non-Executive Director duly appointed by the Board.

- ii. The terms of office of the Committee and each of its members shall be subject to the Board review at least once every three (3) years.
- iii. The Chairman and members of the Committee shall be elected among members of the Board of NTHB. The Board of NTHB may appoint any other persons with relevant qualification and experience as the Board think appropriate to be a member of the Committee.
- iv. In the event the number of the Committee member is reduced to less than four (4) due to any reason whatsoever, the Board will appoint a new member to the Committee within three (3) months thereof.
- v. The Company Secretary or his/her nominee shall be the Secretary of the Committee.

### **3. MEETINGS**

- i. The Committee will meet as and when is required.
- ii. The Notice of Committee Meeting shall be circulated to the Committee members at least one (1) week prior to the scheduled meeting or such shorter period with the consent from the Committee.
- iii. Majority of the Committee members must be present during each meeting in order to form a quorum necessary to transact any business of the Committee. Committee members may be present in person or through any other means of communication but to count towards a quorum, members must be able, fully, to hear and participate in the Committee's proceedings.
- iv. The Chairman of the Committee shall preside each meeting. In the case of the Chairman's absence, the members present shall elect one of their number to chair the meeting.
- v. Questions arising at any meeting of the Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Meeting shall have a second or casting vote. If the Committee is still unable reach its conclusion, the Chairman of the Committee may submit the proposal to the Board for final decision if so required.
- vi. A Resolution taking the form of one or more documents in writing signed or approved by other electronic communications by a majority of the members of the Committee, provided that they are sufficient to form a quorum at a meeting of the Committee, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted; provided that the resolution is circulated to all members of the Committee. All such resolutions shall be described as "Circular Resolution of Committee" and shall be forwarded or otherwise delivered to the Secretary upon signing without delay, and shall forthwith be recorded by the Secretary in the Company's

Minute Book. Any such resolution in writing may be contained in one (1) document or separate copies thereof (which may be prepared and circulated by electronic communications with copy sent by courier or registered post) which is signed by one (1) or more of the member of the Committee.

- vii. Where there is any agenda which poses a conflict of interest for any Committee member, that member is required to notify the Secretary of the declaration of his/her interests and should withdraw from meeting and abstained from voting on the proposal. All declaration of conflicts of interest shall be recorded in the minutes of the meeting.
- viii. The conclusion of the Committee Meetings shall be minutes and the Minutes of each meeting shall be kept and distributed to each member of the Committee.
- ix. The minutes of the Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.
- x. The Committee may invite any persons, including but not limited to other members of the Board and key management personnel, to attend any of its meetings as the Committee shall deem fit and necessary.

#### **4. POWERS, SCOPE AND FUNCTIONS**

- i. The Board confers full powers to the Committee to deal with the following matters and to act within the agreed delegated authority from the Board for the purpose of reviewing the Proposal(s) for an investment sum of not less than RM7.0 million or such limit to be reviewed by the Board from time to time ("Investment Limit"):-
  - a) To establish, review and recommend to the Board the overall investment policies, guidelines and portfolio requirements of the Group. This includes and is not limited to existing and new merger & acquisitions, new partnerships, divestments and large capital expenditure projects which are not within the ordinary course of business;
  - b) To review the investment proposals, related borrowings and execution of instruments in relation thereto, except as otherwise provided under the delegation of Investment Limit approved by the Board;
  - c) To review and recommend to the Board any new investment, acquisition and disposal proposals;
  - d) To review and recommend to the Board for approval any fund raising activities of the Group;

- e) To implement other necessary duties as mutually agreed by the Committee and the Board or any other authorities which is empowered by law or regulated by any Government Authority; and
  - f) To undertake, at the request of the Board, such other activities as may be necessary or desirable.
- ii. The following methodology shall be considered for the purpose of reviewing and assessing any investment proposal(s): -

	<u>Proposal</u>	<u>Methodology</u>
a)	For land purchase proposal	Land valuation to determine the estimated market value  <i>(based on valuation report or indicative valuation, as the case may be)</i>
b)	For the other investment	Payback period <sup>(Note 1)</sup>

*Note 1: Pay-back period is defined as the length of time it may take the net cash flow of a project to payback the total initial investment cost to be incurred. The estimated depreciation (non-cash flow) and any other relevant expenses should also be taken for the purpose of determining the payback method. The methodology on the calculation of the pay back period may be reviewed and determined by the Committee from time to time at their discretion on project by project basis.*

For the purpose of evaluating an investment or project, the payback period of an investment should not be more than five (5) years unless there are any good justification as may be deem fit or accept by the Board of Directors.

- iii. The Committee is empowered to review and update the Terms of Reference of the Committee from time to time and to seek the Board's approval in respect of such revision of the Terms of Reference.

## **5. DELEGATION OF BOARD AUTHORITY**

- i. The Committee shall have the authority reasonably necessary to discharge the Committee's responsibilities.
- ii. In the performance of its duties, the Committee may seek advice or obtain independent professional assistance from any person or firms who has the relevant experience and required expertise.
- iii. The Committee shall have the authority to form sub-committees and to delegate authority thereto or to employees of the Company as it determines to be reasonable.

## **6. REPORTING**

- 6.1 For each investment proposal, Management shall provide the details of the investment proposal together with the basis of their evaluation and justification for presentation to the Committee for review. All the investment proposal(s) are required to be circulated to the Committee at least two weeks prior to its meeting for their review.
- 6.2 The Chairman of the Committee shall report formally to the Board on its proceedings after each meeting on how it has discharged its duties.
- 6.3 The Committee will make whatever recommendations to the Board it deems appropriate on any area within its Investment Limit where action or improvement is needed.
- 6.4 The Board has the authority to review and overrule all recommendations submitted by the Committee, including all recommendation to approve or reject a proposal.