

**ECO WORLD DEVELOPMENT GROUP BERHAD**  
(Registration No. 197401000725 (17777-V))  
(Incorporated in Malaysia)

**TERMS OF REFERENCE OF THE INVESTMENT COMMITTEE**

**1. PURPOSE**

The Investment Committee (“**IC**”) is established as a committee of the Board of Directors (“**Board**”) with the primary objectives of assisting the Board to:

- (a) review and consider investment proposals (outside the ordinary course of business) of Eco World Development Group Berhad and its group of companies (“**Group**”) presented from the Investment Management team (“**IMT**”) responsible for the proposed investment at the relevant time (“**Proposal**”);
- (b) ensure that the Proposal is consistent with the Group’s Investment Policy Statement which outlines the investment objectives and decision-making process; and

thereafter, to make its recommendations on the Proposal to the Board for approval.

As the function of the IC is purely oversight, it does not have the authority to approve any investment proposal without the Board’s approval. The IC also does not assume the functions of management which functions remain the responsibility of the CEO, Deputy CEO and Executive Directors of the Company.

The Group’s Investment Policy Statement is (to be) developed by IMT, reviewed by IC and approved by the Board. The IMT of any investment proposal presented to IC for consideration is to be led by either the CEO and/or Deputy CEO.

**2. COMPOSITION AND APPOINTMENT**

- (a) The members of the IC are appointed by the Board. The IC shall comprise no fewer than 3 members, the majority of whom must be Independent Non-Executive Directors (“**INEDs**”) elected from amongst the Board, and at least an Executive Director or a Senior Management appointed by the Board.
- (b) The chairman of the Board shall not be appointed as a member of the IC.
- (c) In the event of any vacancy in the IC resulting in the number of members of the IC falling below 3, the vacancy shall be filled as soon as possible, but shall not be later than 3 months of that event.
- (d) INEDs who are members of the IC shall hold office only for so long as they serve as Directors of the Company. Members of the IC may relinquish their membership in the IC with prior written notice to the Secretary.

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- (e) All members of the IC shall be financially literate to read, understand and analyse the impact of the Proposal on the Group's financial performance and position.

**3. CHAIRMAN**

The Chairman of the IC (“**Chairman**”) shall be elected from amongst the IC members and shall be an INED approved by the Board.

**4. SECRETARY**

The Secretary of the IC shall be the Company Secretary of the Company.

**5. AUTHORITY**

The IC is authorised by the Board and at the expense of the Group to perform the following:

- (a) undertake any activities required to discharge its responsibilities within its terms of reference and make relevant recommendations to the Board for the Board's decision;
- (b) approve expenditure for preliminary/ initial/ feasibility study assessment, review or due diligence, where necessary, for the Proposal up to an aggregate amount of Ringgit Two hundred and fifty thousand (RM250,000) at any one time. In the event of any additional expenses that will result in the said aggregate amount exceeding Ringgit Two hundred and fifty thousand (RM250,000), such additional expenses shall be subject to the approval of the Board;
- (c) secure the resources from internal and external professionals as it deems necessary in order to perform its duties as set out in its terms of reference;
- (d) have full and unrestricted access to any information, records and properties which are required to perform its duties; and
- (e) obtain external legal or other professional advice as deemed necessary to effectively discharge its roles, responsibilities and duties.

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**6. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the IC are as follows:

- (a) to review, oversee and assist IMT in the development of the Group's Investment Policy statement which sets out the investment objectives and decision-making process of all proposals that will be considered;
- (b) to assess and evaluate the Proposal from the IMT taking into consideration, amongst others, the following:
  - the strategic rationale and how it fits with the group's business in the medium to long term;
  - the projected impact of/expected financial return on investment on the Group's balance sheet and profit & loss position;
  - the expected return on investment and how it compares with cost of funds and the Board's target (if any) in terms of return on capital with appropriate or calculated risk;
  - ESG implications in terms of its impact on the different stakeholders – customers, employees, suppliers, communities and shareholders;
  - the emerging risks and opportunities;
  - business and industry developments;
  - market and economic outlook;
  - input from management and/or legal, accounting, corporate, tax, technical and other relevant advisors; and
  - any other relevant factors;
- (c) to make its recommendations to the Board for its decision on:
  - the Proposal presented by IMT; and
  - due diligence expenses to be incurred in relation to the Proposal;
- (d) to oversee the progress of the Proposal pursued by IMT:
  - to consider and take note of the submission of tenders in relation to the Proposal;
  - where necessary, to approve the initiation of full assessment or investment review in relation to the Proposal, including expenses for feasibility study, conduct of due diligence exercise, etc;
  - to review the outcome of due diligence and instruct the IMT on any additional areas of the due diligence exercise as may be required by the IC and/or the Board; and
  - to be informed by IMT of any inherent execution risk and the regulatory and/or other approvals which may be required; and

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- (e) to act in line with the directions of the Board and to undertake any necessary duties as requested by the Board from time to time.

**7. INVESTMENT DECISION-MAKING PROCEDURES**

- (a) Upon any opportunity arising, the IMT shall liaise and negotiate directly with the prospect and agree on salient terms of the Proposal on behalf of the Group for the IC's consideration and, if recommended by the IC, for the Board's approval.
- (b) The IMT shall present the Proposal to the IC for their review, consideration and evaluation and to make appropriate recommendations to the Board for decision making.
- (c) In the event a full assessment or investment review in relation to the Proposal is required to be conducted to enable the decision making, the IC shall first review, consider and approve the initiation of such exercise, including expenses for the feasibility study or conduct of the due diligence exercise, etc.

Thereafter, the IMT shall present the results or findings of the assessment or review to the IC for their further review, consideration and evaluation and to make appropriate recommendation to the Board for decision making.

- (d) The decision of the Board pertaining to any Proposal shall be final and binding.

**8. REPORTING RESPONSIBILITY**

- (a) The IC shall report to the Board on its activities based on its terms of reference.
- (b) The Chairman shall orally report on the proceedings of each IC meeting to the Board at the next Board meeting following the IC meeting.
- (c) The IC shall make whatever recommendations to the Board that it deems appropriate, on any area within its terms of reference and/or where action or improvement is needed.

**9. MEETINGS**

- (a) The IC may meet together for the despatch of business, adjourn and otherwise regulate their meeting as and when necessary.

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- (b) The Secretary shall, on the requisition of the members of the IC, summon a meeting of the IC. Except in the case of an emergency, notice of every IC Meeting shall be given in writing within a reasonable period. Such notice can be sent by post, hand, electronic mail or by any means of telecommunication.
- (c) The CEO and the Deputy CEO shall be invited to all meetings of the IC and at least one of them shall be present at any IC meeting. Other Board members, IMT members, Management personnel, Independent Advisors and/or external parties that the IC deems necessary may attend the IC meetings upon the invitation of the IC.
- (d) The members of the IC may participate in a meeting by means of conference telephone, conference videophone or any other audio visual or other communications equipment by means of which allows all persons participating in the meeting to hear and speak with each other. Such participation in a meeting shall constitute presence in person at such meeting.
- (e) At the commencement of each meeting, all IC members should declare whether they have any conflict of interest in respect of any matter on the agenda. Such conflict should be recorded in the minutes. Any of the members of the IC with conflict of interest shall abstain from discussion and participating in decisions or voting of related matters. In the event that only one member of the IC is not affected by a conflict of interest, the Proposal shall be deliberated and decided by the Board.
- (f) All matters that are to be decided shall be put to vote and passed by a majority of votes.
- (g) A resolution in writing, which shall be supported by relevant papers setting out details of the subject matter, signed or approved by letter, electronic mail or other electronic communication by majority of the members of the IC, shall be as effectual as if it has been passed at a meeting of the IC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.

**10. QUORUM**

The quorum for a meeting of the IC shall be two (2) members present in person. In the event that the IC is required to meet on an urgent basis but neither the CEO nor the Deputy CEO is able to attend the meeting, the IC shall nevertheless proceed with the meeting to deliberate on and consider the urgent issue(s) for recommendation to the Board for approval.

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**11. MINUTES**

- (a) Minutes of the meeting shall be action-oriented, and record the deliberations and decisions of the IC.
- (b) Minutes of each meeting shall be distributed to each IC member within 4 weeks after the meeting and tabled at the Board meeting of the Company.
- (c) The minutes of the IC meeting shall be signed by the Chairman of the said meeting or by the Chairman of the next succeeding meeting.

**12. CONFIDENTIALITY**

All information in relation to any Proposal discussed during the IC meetings and all information and communication that comes into the possession of the IC during the course of its review, are to be kept strictly confidential by the IC members and the Secretary of the IC.

**13. REVIEW OF TERMS OF REFERENCE**

The IC may from time to time recommend any changes to its terms of reference in such manner as the IC deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated as and where necessary.