

TERMS OF REFERENCE OF THE EXECUTIVE COMMITTEE

1.0 PURPOSE

- 1.1 The Executive Committee (“EXCO”) is a committee established by the Board of S P Setia Berhad (“the Company”). The primary purpose of the EXCO is to assist the Board in the implementation of significant operational matters for the Company and its subsidiaries (“the Group”).

2.0 COMPOSITION

- 2.1 The EXCO shall comprise three (3) members as follows:
- (1) Independent Non-Executive Director;
 - (2) Independent Non-Executive Director; and
 - (3) President / Chief Executive Officer.
- 2.2 The role of Independent Non-Executive Directors is to provide check and balance to management decision making process.
- 2.3 Chairman of the EXCO shall be appointed by the Board.

3.0 REPORTING RESPONSIBILITIES

- 3.1 The EXCO will report to the Board on the nature and extent of the functions performed by it and may make such recommendations to the Board on the Group’s operational matters in accordance with the Discretionary Authority Limits and matters as it may think fit.

4.0 ATTENDANCE AT MEETINGS

- 4.1 The EXCO may request members of management to participate in its meetings, as it may deem fit.
- 4.2 The Company Secretary shall be the secretary of the EXCO or failing which, a representative from the Group Secretariat Department of the Company.

5.0 FREQUENCY OF MEETINGS

- 5.1 The EXCO to convene its meeting at least once a month and convene additional meetings as and when necessary. Notice of meetings shall be circulated to the members 5 working days in advance.
- 5.2 Upon the request of any member of EXCO, the Chairman of EXCO shall convene a special meeting to consider such other matters.
- 5.3 Decision of the EXCO shall be by way of unanimous approval from all EXCO members present at the meeting.

6.0 QUORUM

6.1 The quorum for the EXCO meetings shall be three (3) EXCO members, including the Chairman.

7.0 AUTHORITY

7.1 The EXCO shall have the following authority as empowered by the Board:

- (i) Have the resources required to perform its duties.
- (ii) Have full and unrestricted access to any information, records, properties and personnel within the Group.
- (iii) Be able to obtain independent professional advisers or other advisers.

7.2 To engage outsiders with relevant experience and expertise if necessary.

8.0 DUTIES

8.1 The EXCO is responsible for approving the following under its purview:

- (1) Award of contracts of RM1.5 million and above but below RM200 million issued by the Group.
- (2)
 - (a) Overall project budget for each project under Setia Precast Sdn Bhd of RM1.5 million and above but below RM200 million;
 - (b) Award of subcontracts of RM1.5 million and above but below RM200 million under Setia Precast Sdn Bhd and Setia Wood Industries Sdn Bhd; and
 - (c) Award of sub-contracts not included in the overall approved project budget under Setia Precast Sdn Bhd of not exceeding RM200 million.
- (3) Purchase Orders of RM1.5 million and above but below RM200 million issued by S P Setia Marketing Sdn Bhd.
- (4) Normal variation work order and variation order for upgrading of material, different nature of work, additional work beyond scope of work in original contract, for amount of RM1.5 million and above but below RM25 million issued by the Group. If the variation is for omission of work, approval from Chief Executive Officer or Chief Operating Officer, where applicable, shall be obtained for any amount.
- (5) Donation/sponsorship of RM100,000 and above but below RM500,000 to be disbursed by the Group.
- (6) Proposal for write-off of trade and other receivables/bad debts/raw materials of RM100,000 and above but below RM500,000 owing to the Group.
- (7) Any hedging commitment above RM100,000,000 equivalent in value or exceeding the tenure of 12 months.
- (8) Placement of excess funds of the Group exceeding or deviating from the banking allocation matrix or asset management companies allocation matrix set out in the Treasury Policy.

- (9) Appointment of service providers for professional or consultancy services for corporate related matters where fees are RM500,000 and above.

8.2 The EXCO is to receive report on the following matters:

- (1) List of contracts of RM1.5 million and above awarded by Joint Venture companies.
- (2) List of sub-contracts below RM1.5 million awarded by Setia Precast Sdn Bhd and Setia Wood Industries Sdn Bhd.
- (3) List of Purchase Orders below RM1.5 million approved by the Management of S P Setia Marketing Sdn Bhd.
- (4) All hedging arrangements, including gain/loss positions on a monthly basis.
- (5) Placements of excess funds of the Group in accordance with the banking allocation matrix and asset management companies allocation matrix set out in the Treasury Policy on a quarterly basis.
- (6) Litigation involving amount of RM5 million and above.
- (7) Construction progress of the Group's key projects and those identified from time to time by the EXCO.

9. OTHERS

- 9.1 The confirmed minutes of the meetings of EXCO shall be tabled at the Board Meeting of the Company.
- 9.2 The Chairman of the EXCO shall report to the Board after each meeting.
- 9.3 A resolution in writing signed by all the EXCO members shall be valid and effectual as if it had been passed at a meeting of the EXCO duly called and constituted. The expressions "in writing" or "signed" include approval by legible confirmed transmission by facsimile, telex, cable, telegram or other forms of electronic communications.