

TERMS OF REFERENCE OF CORPORATE GOVERNANCE COMMITTEE

1. Establishment

- 1.1 In accordance with Clause 3.9.2 of the Code of Corporate Governance, there shall be constituted a Corporate Governance Committee, which will act as a useful mechanism for making recommendations to the Board on all corporate governance provisions to be adopted so that the Board remains effective and complies with prevailing corporate governance principles.
- 1.2 The Corporate Governance Committee shall be constituted to ensure that the reporting requirements with regard to corporate governance, whether in the annual report or on an ongoing basis, are in accordance with the principles of the Code of Corporate Governance.

2. Composition

- 2.1 The Corporate Governance Committee shall be composed substantially, if possible, of independent non-executive directors.
- 2.2 Other than in the case where the non-independent Chairperson of the Board is also Chairperson of the Corporate Governance Committee, it is not a requirement that the majority of the Committee be independent non-executive directors, although this would be strongly recommended.
- 2.3 A non-independent Chairperson of the Board can only be the chairperson of the corporate Governance Committee on condition that the majority of the Committee are independent non-executive directors. If this is not the case, then the non-independent Chairperson of the board can be a member of the Corporate Governance Committee, but not its Chairperson. The Chairperson of the Committee would then have to be an independent non-executive director.
- 2.4 The Managing Director may be a member of the Corporate Governance Committee. When the Managing Director is not a member of Committee, he shall be in attendance at the meetings of the Committee.
- 2.5 The Company Secretary shall be the secretary of the Corporate Governance Committee.

3. Term of Office

- 3.1 The term of office of the members of the Corporate Governance Committee shall be one year.
- 3.2 Members may thereafter be re-appointed by the Board.

4. Terms of Reference

- 4.1 The Corporate Governance Committee should include in its terms of reference the key areas normally covered by a Nomination Committee. The terms of reference of the Nomination Committee are included below.
- 4.2 Over and above the work on nomination, the Corporate Governance Committee shall have the following activities:

- i. Ensure that the reporting requirements on Corporate Governance, on an ongoing basis, are in accordance with the principles of the Code;
- ii. Determine, agree and develop the company's general policy on corporate governance in accordance with the Code of Corporate Governance;
- iii. Prepare the Corporate Governance report to be published in the company's annual report;
- iv. Ensure that disclosures are made in the annual report in compliance with the disclosure provisions in the code of Corporate Governance.

4.3 In relation to Ethics

The Corporate Governance Committee will be responsible for:

- i. Monitoring the ethical conduct of the company, its executives and senior officials;
- ii. Reviewing any statements on ethical standards or requirements for the company and assisting in developing such standards and requirements;
- iii. Compliance with the requirements of the Constitution of the company
- iv. Compliance with the law and regulations of any other applicable statute and of controlling bodies;
- v. Identification of any violations of ethical conduct; and
- vi. Environmental and social issues.

4.4 The Corporate Governance Committee will also give recommendations on any potential conflict of interest or questionable situation of a material nature.

5. Meetings

5.1 Meetings of the Corporate Governance Committee shall be held, as the Committee deems appropriate. However, the Committee shall meet at least once each year. Meetings should be organised so that attendance is maximised. The Chairperson of the Corporate Governance Committee or any member of the Committee may call a meeting at any other time.

5.2 The notice of each meeting of the Corporate Governance Committee confirming the venue, time and date and enclosing an agenda of items to be discussed shall, other than under exceptional circumstances, be forwarded to each member of the Committee not less than four working days prior to the date of the meeting.

5.3 The quorum for decisions of the Corporate Governance Committee shall be any two members present throughout the meeting who shall vote on the matter for decision.

6. Proceedings

- 6.1 The secretary shall take minutes of the meetings. Minutes shall be signed by the Chairperson or the chair of the Committee meeting and the Secretary. Minutes of all meetings shall be circulated to all the members of the committee. The Committee shall make a report to the Board as and when necessary but at least once a year. The agenda for each Board meeting should provide an opportunity for the Chairperson of the Corporate Governance Committee to report orally, if necessary, on any matters of importance as well as on the Committee's findings and recommendations.

7. General

- 7.1 The Corporate Governance Committee, in carrying out its tasks under these terms of reference, may obtain such outside or other independent professional advice as it considers necessary to carry out its duties.
- 7.2 Board shall ensure that the Corporate Governance Committee will have access to professional advice both inside and outside the company in order for it to perform its duties.
- 7.3 These terms of reference may be amended as required, subject to the approval of the Board.

A. Nomination Committee – Terms of Reference

- i. Making recommendations to the Board on the appointment of new executive and non-executive directors, including making recommendations on the composition of the Board in general and the balance between executive and non-executive directors appointed to the Board;
- ii. Making recommendations to the Board regarding the composition Board committees;
- iii. Overseeing the board self-evaluation process and reviewing the results thereof;
- iv. Reviewing regularly the Board structure, size and composition and making recommendations to the Board with regard to any adjustments that are deemed necessary;
- v. Identifying and nominating candidates for the approval of the Board to fill Board vacancies as and when they arise, as well as putting into place plans for succession, in particular for the chairperson and Managing Director;
- vi. Making recommendations to the Board for the continuation (or not) in services of any director who has reached the age of 70;
- vii. Recommending directors who are retiring by rotation for re-election;
- viii. Liaising with the Board in relation to the preparation of the Committee's report to shareholders, as required.

Approved by the Board of the Central Depository & Settlement Co. Ltd on 28th June 2006 and amended on 2nd April 2018