



# TERMS OF REFERENCE

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CORPORATE GOVERNANCE COMMITTEE

**Document Authorization**

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<b>Version</b>	<b>BOD Approval Date</b>	<b>Description of Changes</b>
1.0	July 03, 2024	New Charter
1.1	October 09, 2024	The modifications outlined in the PCB’s letter number 454/ASND/2024/7.
1.2	January 28, 2026	Renamed to Terms of Reference to align with CG Code



## **Terms of Reference: Corporate Governance Committee**

### **1. Purpose:**

The Corporate Governance Committee is formed by and among the Board of directors to ensure the Company's compliance of Corporate Governance Code for state-owned enterprises and assist the Board in its oversight of legal, ethical and regulatory compliance within the organization.

### **2. Role:**

The main role of the Corporate Governance committee is to assist the Board of Directors in overseeing the Company's operations, particularly concerning compliance with applicable laws and regulations. It ensures that the organization adheres to all legal requirements, industry standards, best practices, and internal guidelines as stipulated by operating documents or relevant legislation.

Moreover, the committee bears the responsibility of ensuring that appropriate corporate governance standards are implemented. It oversees the Company's ethics and compliance programs to guarantee these frameworks are robust and effective in mitigating risks.

Additionally, this committee plays a crucial role in monitoring public policy initiatives that may impact the Company's reputation. The Corporate Governance Committee is tasked with evaluating policies related to environmental health, safety, and security.

### **3. Composition and Meetings:**

The Corporate Governance Committee will comprise three or more directors and the majority of the members should be non-executive members. Committee members will be appointed by the Board. The Board of Directors may elect a chairperson for the committee; alternatively, committee members may designate a chairperson through majority vote. It is stipulated that the committee chairperson shall not concurrently serve as the chairperson of the Board. For all



convened meetings of the Committee, a quorum shall be deemed established and sufficient when a majority of the Committee members are present.

The Committee Chair, in consultation with Committee members, shall establish the schedule and frequency of Committee meetings, with a minimum requirement of four (4) meetings annually. The Committee Chair shall develop and set the Committee's agenda in collaboration with the Company Secretary. The agenda and pertinent information for each Committee meeting shall be disseminated to Committee members no less than two days prior to the scheduled meeting. The Managing Director and any Committee member may propose agenda items for consideration.

The Committee shall collaborate with the Company's management to ensure the continuous assignment and availability of a Compliance Officer. The Committee shall convene with the Compliance Officer and, when deemed appropriate, with the Company's management and staff.

The Committee shall maintain written documentation of its meetings. Minutes of each Committee meeting shall be distributed to each Committee member within five working days. Minutes shall be approved in the next meeting of the Committee, and it should be signed and filed within the Company's official records. The Company Secretary shall fulfill the role of secretary to the Committee.

#### **4. Responsibilities and Duties:**

The Corporate Governance Committee shall be responsible for the following duties:

- a) Develop and review policies pertaining to corporate governance to ensure alignment with the best practices and regulatory requirements.
- b) Conduct annual reviews of corporate governance and compliance matters, monitoring issues and recommending improvements as deemed necessary.
- c) Oversee the implementation of and adherence to the organization's code of ethics and code of conduct.



- d) Monitor and evaluate the implementation of decisions made by the company's Board of Directors.
- e) Ensure the management's action aligns with the recommendations provided by the committees of the Board of Directors.
- f) Ensuring that there is an appropriate induction program arranged for new Directors.
- g) Evaluate the efficacy of the company's compliance activities and propose enhancements where appropriate.
- h) Provide counsel to the Board on corporate governance and compliance matters to facilitate informed decision-making.
- i) Examine significant reports to management regarding the Company's compliance policies, practices, procedures, and regulations, as well as management's responses thereto.
- j) Review significant government inquiries, investigations, and other substantial legal actions.
- k) Monitor the Company's implementation of measures in response to legislative, regulatory, and legal developments affecting the company.
- l) Convene regularly with the Company's Compliance Officer to discuss matters within the Committee's purview.
- m) Provide regular reports to the Board regarding the committee's activities and findings.
- n) In executing its responsibilities, the Committee shall have sole authority to select, retain, and/or replace external advisors, as it deems appropriate, to provide independent counsel to the Committee.
- o) Evaluate company's methodology and outcomes regarding identification, assessment and mitigation strategies for the primary legal and regulatory compliance risks facing the company.
- p) Examine and analyze data regarding current and emerging legal and regulatory risks, as well as enforcement trends that may potentially impact the company's operations, performance or strategic initiatives.
- q) Exercise oversight of significant complaints and other matters reported through the company's Integrity Line and alternative compliance reporting mechanisms, specifically



those involving allegations related to non-compliance violations. This oversight shall include, when necessary, the review and investigation of such matters.

**5. Voting:**

- a) The Chairman shall be duly informed of the individuals eligible to vote.
- b) The Chairman shall seek a consensus in support of the recommendation. If consensus appears unattainable, the Chairman will propose a motion aimed at facilitating agreement among members. Should any Committee member suggest an amendment to this motion, and it receives a second, a vote will follow.
- c) Prior to any motion being proposed by the Chairman, any Committee member may introduce their own motion, provided it is seconded. The process then advances with the Chairman seeking consensus on whether voting should occur via show of hands or through secret ballot if agreed upon by those present and eligible to vote.
- d) Before initiating any voting process, the specific question or motion under consideration shall be clearly articulated. There should be no interruptions during this period until voting has concluded and results have been announced.
- e) In instances where a committee member moves a motion that gains support through seconding, an immediate vote may not be necessary unless another member proposes an amendment requiring further deliberation. This amendment must also receive seconding before proceeding with votes comparing both the original motion and its amendment; the outcome will then establish what becomes known as the substantive motion.
- f) Subsequent amendments may still be proposed against this substantive motion but must adhere to similar requirements for seconding and voting.
- g) In cases where votes result in ties or require decisive input from leadership, the Chairman retains authority over casting votes as needed.



**6. Reporting:**

- a. The Committee shall present to the Board the requisite recommendations encompassing pertinent information regarding the agenda items.
- b. The Committee shall review and, upon satisfaction, approve the Corporate Governance Statement for inclusion in the Company's Annual Report.
- c. The Committee shall give due consideration to any recommendations made by, or matters referred to by, other Board Committees or the Board.
- d. The activities of the Committee shall be formally reported to the Board on a quarterly basis.

**7. Terms of Reference Review**

- a) Any changes to these Terms of Reference shall be submitted and approved by the Board of Directors.
- b) The Terms of Reference shall be reviewed at least once every three years and recommend any changes necessary for the board's approval.

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