

CITAGLOBAL BERHAD
(formerly known as WZ Satu Berhad)
[Registration No. 200401027590 (666098-X))
(Incorporated in Malaysia)

**TERMS OF REFERENCE OF THE
RISK, FINANCE AND INVESTMENT COMMITTEE**

1. Objectives

The principle objectives of the Risk, Finance and Investment Committee ("**the RFIC**") are as follows:

- (i) To assist the Board of Directors ("**the Board**") in their responsibilities to identify, assess and monitor key business risks to safeguard shareholders' investments and the Group's assets. The Committee supports the Board by setting and overseeing the risk management framework and activities of Citaglobal Berhad (formerly known as WZ Satu Berhad) and Group ("**Group**"), and regularly assessing the Group's risk management processes to ascertain their adequacy and effectiveness.
- (ii) To review and recommend to the Board:
 - ▶ Discretionary capital expenditure exceeding RM2.0 million as proposed by companies within the Group;
 - ▶ all acquisitions, investments and divestment of companies exceeding RM2.0 million and setting up of new material business (including joint ventures but excluding pre-bid joint venture and/or consortium agreements, non-binding Memorandums i.e. Memorandum of Business Exploration, Memorandum of Understanding etc.); and
 - ▶ the corporate strategy and planning, and investment matter for the Group.
- (iii) Advise Management on suitable plans in respect of future investments.

2. Composition of members

The members of the RFIC shall comprise at least three (3) individual members, with the Executive Chairman and the Executive Vice Chairman being the two members to be appointed to the RFIC.

3. Chairman

The members of the RFIC shall elect the Executive Chairman as the Chairman of the RFIC. In the absence of the Chairman of the RFIC, the members present shall elect Executive Vice Chairman to chair the meeting.

4. Secretary

The Secretary of the RFIC shall be the Company Secretary of the Company and/or any such persons appointed by the RFIC.

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5. Meetings

The RFIC may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as and when the need arises. The Chairman may call for meetings at any time at the Chairman's discretion.

The Secretary shall on the requisition of the members of the RFIC summon a meeting of the RFIC except in the case of an emergency, reasonable notice of every RFIC meeting shall be given in writing.

All meetings must be chaired by the Chairman. In the absence of the Chairman, the members can elect from amongst themselves as the Chairman for the Meeting.

All decisions at a RFIC meeting shall be by way of simple majority vote of the Chairman and the members. In the event of stalemate, the Chairman of the meeting shall have a casting vote (except where two (2) directors form the quorum).

Members of the RFIC must declare and abstain from meetings where their presence may cause any conflict of interest.

A member of the RFIC may participate in a meeting of the RFIC by means of a telephone conference or video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the said meeting and shall be entitled to vote or be counted in a quorum accordingly.

The RFIC shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Board and at the cost of the Group. The RFIC may request other directors, members of management, counsels or consultants to participate in RFIC meetings, as necessary. Non-committee directors and members of Management in attendance may be required to leave the meetings of the RFIC when the Chairman so request.

6. Circular Resolution

A resolution in writing signed by all the RFIC members for the time being entitled to receive notice of a meeting of the RFIC, shall be as valid and effectual as if it had been passed at a meeting of the RFIC duly convened and held. Any such resolution may consist of several documents in like form each signed by one (1) or more of the RFIC members. Any such document may be accepted as sufficiently signed by a member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of a member.

7. Minutes

Minutes of the RFIC Meeting shall be kept at the registered office and shall be distributed to all the RFIC members and also to the other members of

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the Board. The minutes shall be approved by the Chairman of the meeting at which the proceedings are held or by the Chairman of the next succeeding meeting. The RFIC, through its Chairman, shall update the Board on the activities undertaken by the RFIC at each Board meeting.

8. Quorum

A quorum shall consist of two (2) members.

9. Reporting Structure

The Chairman of the RFIC will report formally to the Board on the key aspects of its proceedings of their meeting(s) at the next Board Meeting.

The Chairman of the RFIC shall respond to any questions relating to the Committee's activities at the Annual General Meeting, where required.

10. Authority

The RFIC shall, at the expenses of the Company:-

- (a) consider and recommend to the Board investment decisions (non-related to diversification from its current businesses) in its discretion from time to time as it deems appropriate and in the best interest of the Group;
- (b) establish, review and recommend to the Board, the overall investment policies, guidelines and portfolio requirements of the Group;
- (c) have authority to implement the investment policies adopted by the RFIC on all investment-related matters;
- (d) secure the resources in order to perform its duties as set out in its terms of reference;
- (e) have direct communication channels with and unrestricted access to Management including without limitation, its information, records, reports, properties and personnel; and
- (f) obtain external legal or other independent professional advice as necessary.

11. Duties and Responsibilities

The duties and responsibilities of the RFIC are as follows:-

11.1 Risk

- (a) Provide oversight, direction and counsel to the Group's risk management process which includes the following:-

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- Establish the Group's Enterprise Risk Management ("**ERM**") framework based on an internationally recognised risk management framework.
 - Review and approve the inclusion of revisions to the risk management principles, framework processes arising from the RFIC or the Board's decision to ensure they remain relevant for use.
 - Review the Group's Risk Profile, including the Group's level of risk tolerance and ensure that all significant risks that are outside tolerable ranges are being responded with appropriate management action plans taken in a timely manner in mitigating the significant risks identified.
- (b) Establish and periodically review the Group's risk management policies, and ensure the compliance and integration of the necessary risk management processes into all business processes of the Group by Management.
- (c) Recommend for the Board's approval the Group's ERM framework, risk management policies, strategies, key risk indicators and risk tolerance levels, and any proposed changes thereto.

11.2 Finance

- (a) To review and recommend to the Board of Directors the Group's strategic plan and budget;
- (b) To review and approve all discretionary capital expenditure in excess of RM2.0 million as proposed by companies within the Group; and
- (c) To review the post-expenditure review of the investment proposal, capital expenditures and projects approved by the Board of Directors at least eighteen (18) months upon commencement of the projects.

11.3 Investment

- (a) To invest up to the prescribed amount as determined by the Board from time to time;
- (b) To evaluate and recommend to the Board, proposals on new investments and divestments of amount exceeding the pre-approved limit for the Board's approval;
- (c) To provide input on the valuation of the proposed investments/ divestments taking into account compliance with the Investment Policy, risk management analysis, findings of the due diligence and written report from external advisers, as applicable;

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- (d) To act in line with the directions of the Board of Directors and to update the Board on the dealings, if any;
- (e) To review and approve all acquisition and disposal of the Company's land and properties as proposed by companies within the Group, up to RM2.0 million;
- (f) To review and recommend to the Board of Directors all acquisitions, investments and divestments of companies exceeding RM2.0 million and setting up of new material business (including joint ventures but excluding pre-bid joint venture and/or consortium agreements, non-binding Memorandums i.e. Memorandum of Business Exploration, Memorandum of Understanding, etc.);
- (g) To monitor and provide oversight on progress of investment proposals, capital expenditure and projects including capacity utilisation, productivity and efficiency measures, as approved by the Board of Directors;
- (h) To monitor and compliance checking with the Anti-Bribery & Corruption Policy and Procedure of the Group; and
- (i) To consider and examine such other matters as the RFIC considers appropriate.

12. Review of the Terms of Reference

The Terms of Reference shall be reviewed and updated by the RFIC on a periodic basis as it deems appropriate for the Board to approve. Such review shall be in line with any regulations that may have an impact on the discharge of the RFIC's responsibilities.