



MKH OIL PALM (EAST KALIMANTAN) BERHAD
Registration No: 200401023680 (662186-D)

**TERMS OF REFERENCE OF THE
EXECUTIVE COMMITTEE**

1. OBJECTIVES

The primary objective of the Executive Committee (“**EXCO**” or “**Committee**”) is to act as an operating committee which function as a medium between the Board of Directors (the “**Board**”) of MKH Oil Palm (East Kalimantan) Berhad (the “**Company**”) and the management to ensure that business strategies, daily business and operational issues are carried out efficiently and effectively and that the requirement of good corporate governance practices are observed.

2. BALANCE AND COMPOSITION

The members of the EXCO shall be appointed by the Board and shall comprise of all Executive Directors of the Board.

3. CHAIRMAN

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

4. SECRETARY

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

5. TERM OF OFFICE

The Board of the Company shall review the term of office of the EXCO members annually.

6. MEETINGS

The EXCO may meet together for the despatch of business, adjourn and otherwise regulate their meetings regularly as deemed necessary.

Prior notice of seven (7) calendar days shall be given for the EXCO’s meeting, except under special circumstances whereby a special meeting is called by the Chairman.

The head of the respective division units and relevant management personnel may be invited to attend the Committee meetings.

All or any members of the EXCO may participate in a meeting of the EXCO by means of video or tele-conferencing or any other communication equipment, which allows all members of the EXCO participating in the meeting to communicate simultaneously with each other. A member of the EXCO so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

7. MINUTES

Minutes of each meeting shall be kept at the registered office and distributed to each member of the EXCO.

The minutes of the EXCO meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

8. REPORTING

The EXCO report to the Board.

9. QUORUM

A quorum shall consist of not less than two (2) members.

10. APPROVING AUTHORITY LIMITS

To decide on any proposals or execute any transactions including acquisition or disposal of assets or of share capital, financial or operational matters which are in the ordinary course of business of the Company and its subsidiaries (“**Group**”), of which the value of such transactions does not exceed five percent (5%) of the Group’s net tangible assets value.

11. CIRCULAR RESOLUTION

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

12. AUTHORITY

The EXCO is authorised to: -

- have full and unrestricted access to any information pertaining to the Company;
- have direct communication channels with employees, senior management personnel and external parties;
- have the authority to delegate any of its responsibilities to any person or committee(s) that is deemed fit;
- be able to obtain independent professional or other advice; and
- be able to convene meetings with external parties, whenever deemed necessary.

13. DUTIES AND RESPONSIBILITIES

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

- to exercise and execute the authority as granted by the Board;
- to identify, formulate and prioritise strategic issues and chart strategic directions for action by the management and staff;

▪ TERMS OF REFERENCE OF THE EXECUTIVE COMMITTEE

- to review and approve the annual operating plan, business strategies, budget, relevant key procedures and/or guidelines;
- to ensure that infrastructure, resources and systems are in place for the establishment of a conducive working environment;
- to review financial reports and management reports from operation and business units on key business performance, operating statistics and regular matters;
- to report to the Board on matters that require their attention and approval;
- to monitor and evaluate business conditions and developments in the financial markets on an ongoing basis to ensure that the impact of changes are identified and managed accordingly;
- to review and approve transactions or activities as delegated by the Board;
- to review and recommend to the Board any material transactions that relates to acquisition and disposal of assets of the Group; and
- any other matters as directed by the Board.

14. APPROVAL, REVISION AND UPDATES

This term of reference has been approved by the Board on 27 September 2022 and will be reviewed and updated once in every two (2) years or at more frequent intervals as circumstances dictate to ensure it remains consistent in the light of new best practices and new legal or regulatory requirements.