BANK PEMBANGUNAN MALAYSIA BERHAD
Registration No.: 197301003074 (16562-K)

BOARD CREDIT COMMITTEE
TERMS OF REFERENCE

1. Objective

The primary objective of the Board Credit Committee of ("BCC") is to provide supervisory and oversight role on all loans/financings/credit related proposals and investment as per limit set in Bank Pembangunan Malaysia Berhad ("BPMB" or the "Bank") Authority Matrix and Authority for Credit Approval for Pembangunan Leasing Corporation Sdn Bhd ("PLC") and to ensure adequate risk management processes related to credit are in place and functioning effectively.

2. Composition

<u>Members</u>

2.1 BCC shall consist of not less than three (3) members of the BPMB Board of Directors ("Board").

2.2 All Members of BCC shall be Non-Executive Directors, with the majority of whom are Independent Directors. The Chairman of the Board shall not be a member of the BCC.

2.3 The appointment of the Chairman and members of BCC shall be approved by the Board based on the recommendation made by the Board Nomination and Remuneration Committee ("BNRC"). All members of the BCC, including the Chairman, shall hold office only so long as they remain as Directors of BPMB.

2.4 The members of BCC may relinquish their membership in the Committee with prior written notice to the Secretary and may continue to serve as Directors of BPMB.

2.5 The members of BCC shall possess sound judgement, objectivity, management experience, integrity and knowledge of the industry. The members of BCC are required to make a declaration of interest in the event that they have interests in proposals, which are being considered by BCC, including where such interest arises through close family members and related parties, in line with various statutory requirements on the disclosure of directors' interests.

In any situation when a conflict of interest arises, where the members of BCC are deemed as interested, such interested member would recuse himself/herself from all proceedings and deliberations of BCC pertaining to the matters of conflict. The declaration of interest and abstention from the deliberation and voting would be recorded in the minutes of meeting or written resolutions of the BCC.

3.	Chairman	3.1	The Chairman of BCC must be an Independent Non-Executive Director. In his/her absence, the members present at the meeting may elect any of its members to be the Chairman of the said meeting.
4.	Invitee	4.1	The following Senior Leadership Team ("SLT") is the Permanent Invitee for BCC:- • Group Chief Executive Officer • Managing Director, Group Corporate & Investment Banking • Group Head, Corporate Banking & Advisory • Group Head, Group Coverage • Chief Credit Officer In the absence of any of the SLT mentioned above, the BCC can appoint any other SLT, as it deems appropriate.
		4.2	BCC may invite other Directors and/or SLTs of BPMB's subsidiary(ies) to attend the BCC Meeting as 'Invitee'. The aforesaid 'Invitee' shall only participate in the Meeting during the presentation and deliberation of matters concerning the subsidiary(ies).
		4.3	BCC may invite to its meeting any Senior Management, and such other persons, as it deems appropriate, in order to carry out its responsibilities.
5.	Secretary	5.1	The Company Secretary or a licensed officer from the Group Corporate Secretarial of BPMB or any other personnel authorised by BCC shall prepare the minutes and resolutions of all BCC meetings, including the names of those present and in attendance.
6.	Roles & Responsibilities	6.1	To deliberate, review and if necessary, exercise the rights to veto, challenge, or reject Group Credit Committee's ("GCC") approvals/decisions on all loans/financings/credit related proposals and investment including the proposed terms and conditions or any variations thereof as per the limit and authority set in BPMB Authority Matrix and Authority for Credit Approval for PLC.
		6.2	To endorse or veto "policy loans/financing" and loans/financing, which are required by statute to be approved by the BPMB Board, provided that the initial filter of approval is conducted by GCC.
		6.3	To note the approved TOR of GCC and the changes in the composition of GCC's members.
		6.4	To perform the credit risk oversight role in a manner that is not compromised and without undue influence from any party.
		6.5	To endorse or veto any other matters as prescribed in the BPMB Authority Matrix and Authority for Credit Approval for PLC.
		6.6	To consider any other matters referred by the BPMB Board to the BCC.

7.	Authority	7.1	The BCC shall have full authority to seek/obtain any information required from any employee of BPMB and/or the Group and to commission any investigations, reports or surveys, which it deems necessary in facilitating the BCC to fulfil its duties and obligations.
		7.2	The BCC may obtain, at BPMB's expense, any external or independent professional advice or expertise, if necessary.
		7.3	The BCC are encouraged to have an independent session with the Committee without the presence of the Management before or after the BCC meeting.
8.	Quorum	8.1	The quorum necessary for the BCC meeting shall be at least 51% of the total number of Members, of which a majority must be represented by Independent Directors.
		8.2	A member of the BCC shall be deemed to have attended a meeting either by his/her physical presence or via other modes of telecommunication, including but not limited to video conferencing or telephone, subject to the consent of the Chairman of the meeting.
		8.3	A duly convened meeting of the BCC at which a quorum is present shall be fit to exercise all/ any of the authorities, powers and discretions vested in or exercisable by the members.
		8.4	A member interested in a contract, a proposed contract, or an arrangement shall be counted for the purpose of determining a quorum. However, he/she must abstain from participating in discussions and decisions on matters directly involving him/her.
		8.5	Decisions relating to the BCC's recommendation shall be made by consensus, always adhering to the quorum for the meeting. Notwithstanding the above, the Chairman shall call for a vote of the members if the circumstances warrant it, where the decision shall be carried out based on the majority. In case of an equality of votes, the Chairman shall have a second or casting vote. No Member will abstain from voting unless he or she has declared a conflict of interest. In the event of ambiguity in the decision, the Chairman has the authority to recommend that the matter be escalated to the Board.
9.	Frequency of meetings	9.1	BCC shall meet at least twelve (12) times a year or at such other times as and when requested by the Chairman of the BCC. However, the meeting fees are only paid for two (2) meetings per month.
10.	Attendance	10.1	All members are required to attend at least 75% of the BCC meetings held in each financial year.
		10.2	Any member who fails to attend three (3) consecutive BCC meetings shall be removed as a member of BCC.

11.	Notice of Meeting & Meeting Papers	11.1	The Company Secretary shall notify meetings of BCC at the request of the Chairman of BCC.
		11.2	Unless otherwise agreed, a notice of each meeting confirming the venue, date and time together with the agenda of items to be discussed, shall be forwarded to the Chairman of BCC, preferably not less than seven (7) days prior to the date of the meeting.
		11.3	All meeting papers shall be provided to BCC Members not less than three (3) days prior to the date of the meeting. However, papers that are deemed urgent may still be submitted to the Secretary after the expiry of the deadline for paper submission to be tabled at the BCC, subject to the approval of the Chairman of the BCC.
		11.4	After the conclusion of the BCC meeting, a summary decision of the meeting shall form part of the presentations and proposal papers to the Board meeting.
12.	Minutes of Meeting & Circular Resolution	12.1	The Secretary shall minute the proceedings and resolutions of the meeting. The minutes must record the decisions of the BCC, including the key deliberations, rationale for each decision made, and any significant concerns or dissenting views. The minutes must also indicate whether any member abstained from voting or excused himself from deliberating on a particular matter.
		12.2	The Secretary shall ascertain, at the beginning of the meeting, the existence of any conflict of interest and minute them accordingly.
		12.3	Draft minutes of each BCC meeting shall be circulated to the BCC members prior to the tabling of the said minutes for confirmation five (5) days before the subsequent BCC meeting.
		12.4	Minutes of the BCC Meetings shall be approved by the members and signed by the Chairman of the meeting.
		12.5	A circular resolution in writing signed by a majority of the members of BCC in like form for the time being shall be valid and effectual as if it had been passed at a meeting of BCC. The circular resolution in writing shall be supported by relevant papers setting out details of the subject matter. The members of BCC may obtain more information from Management, express their views or points, and convey their decisions by facsimile, electronic mail, or any other means of telecommunication. The circular resolution in writing is limited to matters which is not complex and do not require in-depth discussion. All circular resolutions shall be submitted for information/ confirmation at a meeting of BCC following the passing of the circular resolutions.
		12.6	Minutes of meetings and circular resolutions in writing of BCC, which have been confirmed and signed, shall be submitted to the Board for notification.

13.	Others	13.1	The Terms of Reference shall be reviewed once every (2) years or within such a time as determined by the BCC. The review/ amendment/ modification of the Terms of Reference shall be tabled at the BCC for recommendation and to the Board for approval.

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