

Terms of Reference of Executive Committee of the Board

The management of the Company shall be carried out by the Board through an Executive Committee (EXCO) whose members (who need not be Directors) shall be appointed by and under the control of the Board. The EXCO shall be responsible for overseeing any and all affairs of the Company's business.

1. The EXCO shall consist of six (6) members, with one (1) member designated by the Government of Singapore Investment Corporation Pte Ltd (GIC).
2. The EXCO will establish a regular meeting schedule and will use its best efforts to meet at least once every quarter. All members of the EXCO shall use their best efforts to attend every meeting in person.
3. Each member of the EXCO will be provided with a regular report pertaining to the status of financial and business affairs of the Company and its subsidiaries. The regular report on the Company as well as each of the Company's subsidiaries shall be in a format accepted by the EXCO, and shall be provided at least on a monthly basis. The report shall capture all material or substantial transactions which took place within the quarterly period (or other prescribed period as the EXCO shall request) and shall be received by the EXCO within thirty (30) days from the end of such period. The financial statements shall be given to the EXCO within seven (7) days after the financial statements have been submitted to Bursa Malaysia Securities Berhad. The EXCO may also, at any time, request for a report on any transaction and the Company shall provide such a report within a reasonable period after such request.
4. Any member of the EXCO may at any time call a meeting of the EXCO by giving at least seven (7) days prior written notice or such shorter notice period as may be mutually agreed. The notice shall be accompanied by (i) a proposed agenda or statement of purpose; and (ii) where possible, copies of all documents, agreements and information to be considered at such meeting.
5. A quorum shall exist when a majority of the members of the EXCO are present in person or represented by proxy, provided that GIC shall be present in person or represented by proxy at that meeting. Where quorum is not satisfied, the meeting shall be adjourned to a later date ("adjourned meeting"). Notice of the adjourned meeting shall be given to all members in writing at least two (2) working days before the date of the adjourned meeting. Should a quorum not be satisfied at the adjourned meeting, any member attending may declare a "deadlock" which shall be dealt with under Clause 9 below. In the event where GIC fails to attend in person or by proxy at the first meeting of the EXCO or at the adjourned meeting thereof, GIC's right to be considered in determining the quorum for the said EXCO meeting shall be forfeited and the said meeting shall proceed without GIC.
6. All decisions and/or actions by the EXCO shall require a simple majority vote of all members who attended and voted at the meeting, but must include GIC in the said majority, unless GIC abstains from voting. Where (i) a simple majority as provided herein is not achieved, (ii) GIC voted against the majority, or (iii) the member's votes are evenly divided, any member present at the meeting may declare a "deadlock", which shall be dealt with under Clause 9 below.
7. The EXCO will cause minutes of all meetings to be prepared, circulated and signed by all members of the EXCO within ten (10) days of the date of the meeting.
8. A resolution in writing signed by all the members of the EXCO shall be as valid and effective as a resolution passed at a meeting of the EXCO duly convened and held. Any such resolution in writing may consist of several documents in like form each signed by one or more of the members. The expressions 'in writing' and 'signed' include approval by telefax or telex by any such members, which approval shall be confirmed in writing by such member thereafter. The duly signed resolution shall be placed in the minute book of the EXCO.
9. In the event of a deadlock among the members of the EXCO, any member may refer the matter in question to the Board for decision.
10. Any of the following matters shall require the approval of the EXCO in accordance with Clause 6 above:-
 - (a) Entry into any joint venture, partnership or profit sharing agreement by the Company.
 - (b) The approval of the annual operating and capital budget (Annual Budget) or the Business Plan for the Company and its related corporations as defined in the Companies Act, 1965 [hereinafter referred to as "Group Company/Group Companies"] for each financial year of the Group Company (including any amendments, modifications, addendum or additions thereto).
 - (c) Acquisition and/or disposal of, or investment in any undertaking, asset or share by a Group Company, accepting any form of additional liability and/or entering into any contract other than in the ordinary course of business, except as contemplated herein.

Terms of Reference of Executive Committee of the Board *(cont'd)*

- (d) Entering into any contract (or series of contracts), or any amendment to an existing contract involving payments by or to the Company or any shareholder over the life of the contract or amendment in excess of RM1,000,000 (or its equivalent in another currency), except as provided in the Annual Budget or Business Plan of the Company.
- (e) Increasing or reducing the authorised or issued share capital of a Group Company (other than permitted in an Annual Budget approved in accordance with paragraph (b) above) or the issue or grant of any option over the unissued share capital of a Group Company or the issue of any new class of shares in the capital of a Group Company.
- (f) The creation of any mortgage, charge or other encumbrance over each Group Company's property or assets.
- (g) The exercise of each Group Company's powers to provide guarantees or indemnities.
- (h) In respect of each Group Company, the acquisition or disposal, or the agreement to acquire or dispose of any interest in any land or real property wheresoever situated and of whatsoever description, or the acquisition, incorporation or establishment of any corporation having an interest in land or real property by a Group Company other than in the ordinary course of business.
- (i) Any amalgamation or reconstruction of a Group Company, or any merger of a Group Company with any corporation, firm or other body.
- (j) The dissolution, liquidation or winding-up of a Group Company.
- (k) The declaration or payment of any dividends or other distribution of profits of each Group Company (whether in cash or specie).
- (l) The adoption of, or any significant change in the accounting policies of each Group Company, other than as required by law or accounting policies generally accepted in the jurisdiction applicable to such Group Company from time to time.
- (m) Granting any rights by the Company to subscribe for or to convert shares, debentures or other securities into share capital, ranking in priority to or *pari passu* with the Preference Shares as regards participation in assets of the Company or being capable of being redeemed while any of the Preference Shares are in issue or the variation of the rights of any class of shares other than the issue and allotment of any such shares for the purpose of applying the proceeds thereof in or towards converting the Preference Shares in accordance with the Share Subscription Agreement dated 13 October 1999 between the Company and Reco Loop Pte Ltd.
- (n) Issuing any Ordinary Shares by the Company or granting any rights by the Company to subscribe for or to convert shares, debentures or other securities into Ordinary Shares.
- (o) Repaying all or any part of the capital paid-up on any share in the capital of the Company (other than a payment in the course of a winding-up of the Company) including the share premium account and the capital redemption reserve of the Company.
- (p) Reducing all or any part of the share capital of the Company or any uncalled liability in respect thereof or any share premium account or capital redemption reserve of the Company if the reduction involves either the diminution of liability in respect of unpaid share capital or the repayment to any member of any paid-up share capital.
- (q) Adding to, deleting, varying or amending its Memorandum and Articles of Association in any manner which would be inconsistent with the rights of the holders of the Preference Shares.
- (r) Modifying, varying or abrogating the rights attached to the Preference Shares and/or Ordinary Shares.
- (s) Creating, incurring, assuming or suffering to exist any indebtedness due or owing or to be owing to the shareholders or subsidiaries of the Company.
- (t) Making or permitting (whether by inaction or otherwise) any of its subsidiaries to make any new investments, or acquiring or permitting (whether by inaction or otherwise) any of its subsidiaries to acquire any asset in one transaction or a series of transactions for an aggregate amount exceeding RM5,000,000 in any year.

Terms of Reference of Executive Committee of the Board *(cont'd)*

- (u) Issuing or providing or permitting (whether by inaction or otherwise) any of its subsidiaries to issue or provide any form of guarantee, indemnity or other financial or non-financial support which may result in the Company or any of its subsidiaries incurring any liability in connection with any loans, credit facilities or any other financing required by any associate or subsidiary of the Company.
 - (v) Conveying, selling, leasing, transferring or otherwise disposing or permitting (whether by inaction or otherwise) any of its subsidiaries to convey, sell, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any part of its or their business or assets whether now owned or hereafter acquired for any aggregate amount exceeding RM1,000,000 in any year except for the sale of assets by its wholly-owned subsidiaries at arm's length on commercial terms in the ordinary course of business where the proceeds of sale are to be paid by that subsidiary to the Company whether by way of dividend or a long-term loan or loans to be extended by that subsidiary to the Company in terms that all interest, principal and all other payments are to be subordinated in priority of payment to the conversion of all the Preference Shares.
 - (w) Releasing, surrendering, reducing, waiving, amending or varying or permitting (whether by inaction or otherwise) any of its subsidiaries to release, surrender, reduce, waive, amend or vary any amount of indebtedness other than such indebtedness not exceeding RM500,000 in any one year subject to an aggregate overall limit not exceeding RM1,000,000 at any time owed to it or them by any person or the terms upon which the same is outstanding and in particular, agreeing to or permitting (whether by inaction or otherwise) any of its subsidiaries to agree to the capitalisation of any such indebtedness, whether by conversion or exchange of the same or any part thereof into or for share capital in the company which owes the same or otherwise.
 - (x) Changing or threatening to change or permitting (whether by inaction or otherwise) any of its subsidiaries to change or threaten to change the nature or scope of its or their business operations which it or its subsidiaries conduct as at the Issue Date or permit (whether by inaction or otherwise) any of its subsidiaries to suspend or threaten to suspend a substantial part of the business operations which it or its subsidiaries conduct directly or indirectly as at the Issue Date.
11. The rights of GIC shall be automatically extinguished at any time when GIC's aggregate shareholding (including Preference Shares) is reduced to the extent that it is less than ten per cent (10%) of the then issued and paid-up share capital in the Company (including the Preference Shares as if such Preference Shares have been converted to Ordinary Shares in accordance with the Share Subscription Agreement and/or the Articles of Association).



Executive Committee of SunCity

From left to right: (Sitting) Ngian Siew Siong, Dato' Wong Choon Kee, Ngew Voon Yean.
(Standing) Koong Wai Seng, Yau Kok Seng, Ong Pang Yen, Lim Swe Guan