MKH BERHAD

Registration No: 197901006663 (50948-T)

TERMS OF REFERENCE OF THE EXECUTIVE COMMITTEE

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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"**) 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 shall be elected from amongst the EXCO members and approved by the Board of Directors.

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) days shall be given for the EXCO's meeting, except under special circumstances whereby a special meeting is called by the Chairman of the EXCO.

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

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 of Directors.

9. Quorum

A quorum shall consist of 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 Group, of which the value of such transactions does not exceed five percent (5%) of the Group's Net Tangible Assets Value provided that such limit on the value of transaction does not apply to any construction contract.

11. 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.

12. Duties and Responsibilities

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

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

- To review and approve proposed selling price for the Group's property development projects;
- To review and recommend to the Board of Directors any material transactions that relates to acquisition and disposal of assets of the Group; and
- Any other matters as directed by the Board of Directors.

13. Revision and Updates

This Term of Reference will be reviewed and updated periodically to ensure it remains consistent with new best practices and new legal or regulatory requirements.