



DXN Holdings Bhd.

Registration No. 199501033918 (363120-V)
(Incorporated in Malaysia)

TERMS OF REFERENCE

EXECUTIVE COMMITTEE



DXN Holdings Bhd.
Registration No. 199501033918 (363120-V)

Terms of Reference | Executive Committee

Revision History

Revision Code	Revision Description	Effective Date
00	New Terms of Reference was reviewed and approved	22 February 2022



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1. Objectives

- 1.1 The primary function of the Executive Committee (“**EXCO**” or “**the Committee**”) of DXN Holdings Bhd. (“**DXN**” or “**the Company**”) is to assist the Board of Directors (“**Board**”) by having close oversight over the business activities and operations of the Group (collectively, DXN and its subsidiary company(ies) or “**DXN Group**”) save for the matters reserved for the Board, Audit Committee, Risk Management Committee, Nomination Committee and Remuneration Committee.
- 1.2 The EXCO acts on behalf of the Board and shall assist the Board to:
- (a) ensure that strategies are implemented within pre-determined framework and financial parameters that are approved and agreed by the Board from time to time;
 - (b) oversee the implementation of Board policies and strategies in managing the business segments to sustain continued growth, enhance shareholders’ value;
 - (c) review the performance of all business segments and implement corrective action plans, where needed, to address any shortfalls or non-compliance;
 - (d) review the business plans and budgets and monitor the progress and performance of the business plan and budgets, including performance against agreed key performance indicators in all aspect of the Group’s operations;
 - (e) apply the principles and best practices recommendations of corporate governance, sustainability and corporate responsibility and to ensure compliance with applicable regulatory and legal requirements; and
 - (f) provide support and direction in all aspects of the business strategies and plans as assigned or delegated by the Board and take action or assume any other powers and responsibilities that may from time to time be assigned or delegated by the Board to implement such business strategies and plans.



- 1.3 Members of the EXCO, by virtue of their roles as Executive Directors of the Group and / or any one of the members of the key senior management (“**KSM**”) of the Group as identified, are primarily responsible for the business activities and operations of the Group’s core business and principal subsidiaries to ensure that the Group’s operations are aligned with the strategies approved by the Board.

KSM refers to a person, who in the opinion of DXN, is one who generally holds highest level of management responsibility and decision-making authority within the Group and must include a person who is primarily responsible for the business operations of the Company’s core business and principal subsidiaries. Essentially, KSM is a member of the C-Suite or persons as identified as KSM.

2. Composition

- 2.1 The Committee shall be appointed by the Board. It shall consist of no less than three (3) and no more than five (5) members.
- 2.2 The Chairman of the EXCO shall be appointed by the Board. In the absence of the Chairman of the Committee, the members present shall elect one of their number to chair the meeting.
- 2.3 In the event of any vacancy in the EXCO resulting in the reduction of the number of members to below three (3) or vacancy of the position of Chairman of the Committee, the Board shall within three (3) months of the event appoint such number of new members as may be required to fill the vacancy.

The EXCO members shall comprise solely of Executive Directors, the Chief Executive Officer (“**CEO**”) and the Chief Financial Officer (where the CEO and CFO are not member of the Board and other member(s) of KSM).

- 2.4 All members of the EXCO, including the Chairman, will hold office only so long as they serve as Directors and / or CEO (where CEO is not members of the Board) of the Company.
- 2.5 If a regular member of the EXCO is unable to act due to absence, illness or other cause, said member may, with the consent of the EXCO Chairman, appoint his alternate or deputy (as the case applies) to serve as executive member until such a time when the regular member is able to return to full service.



3. Meeting Procedures

- 3.1 The Committee is to meet at least four (4) times a year or more frequently as the need arises or if so requested by any member of the Committee or by the Chairman of the Committee.
- 3.2 Quorum for any meetings shall be two (2) members. In the absence of the Chairman of the Committee, the members present shall elect one of their number to chair the meeting.
- 3.3 Unless the meeting is called on a short notice basis, the Secretary, in conjunction with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers, at least five (5) working days prior to each meeting to the members of the Committee.
- 3.4 The Committee may, as and when deemed necessary, invite other Board members and Key Senior Management of each business segment, employees, counsels and consultants, as applicable, to attend the meetings, specific to the relevant meeting, as and when necessary.
- 3.5 The EXCO shall observe and consider matters reserved for the Board as enumerated under Formal Schedule of Matters Reserved for the Board.
- 3.6 As to the approval limit of the EXCO, reference shall be made to the Authority Matrix.
- 3.7 The Committee shall record its conclusion on issues discussed during meetings and report to the Board at the quarterly Board meetings. The minutes shall be circulated to members of the Board and duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee.
- 3.8 The Committee members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- 3.9 The Chairman of the Committee should attend the Annual General Meeting to answer any shareholders' questions on the Committee's activities.



4. Voting

- 4.1 Subject to item 3.1 above, in appropriate circumstances, the EXCO may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A resolution in writing signed by a majority of members in lieu of convening a formal meeting shall be as valid and effectual as it had been passed at a meeting of the EXCO duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.
- 4.2 Matters for decisions which arise at Committee meeting will be decided by a majority of the members of the EXCO who are present at the meeting relation to any decision approved by the EXCO, if the Board's and/or shareholders' approval is/are required, the matter must then be tabled to the Board. If a majority vote cannot be obtained, the issue or question shall be escalated and determined by the Board.
- 4.3 An EXCO member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

5. Authority

- 5.1 The EXCO shall:
- (a) have explicit authority to investigate any matter with regard to the business activities and operations of the Group;
 - (b) perform the activities required to discharge its responsibilities and make the relevant recommendations to the Board;
 - (c) have the resources which are required to perform its duties;
 - (d) subject to any restriction imposed by law, have full and unrestricted access to any information and records pertaining to the Company and the Group as well as personnel of the Company and the Group;
 - (e) have direct communication channels with the advisors (if so appointed) and person(s) carrying out relevant executive function or activity (if any) within the Group; and



- (f) be able to obtain independent professional or other advice, at the expense of the Company wherever necessary and reasonable and in accordance with a procedure to be determined by the Board, in order to perform its duties.

6. Secretary

- 6.1 The Company Secretary shall be the Secretary of the Committee.
- 6.2 The Secretary shall organize and provide assistance at EXCO meetings and have the following key responsibilities:
 - (a) ensure meetings are arranged and held accordingly;
 - (b) assist the Chairman in planning the EXCO's activities;
 - (c) draw up meeting agendas in consultation with the Chairman and maintain the minutes and draft its scheduled activities for the financial year;
 - (d) ensure structured communication channels between the Board and the EXCO;
 - (e) ensure proceedings of meetings are recorded and the minutes circulated in a timely manner and reviewed by the EXCO before disseminating them to the Board; and
 - (f) ensure EXCO recommendations presented to the Board are supported by papers that explain the rationale for the EXCO's recommendations.

7. Functions & Responsibilities

- 7.1 In fulfilling its primary objectives, the Committee shall undertake the following responsibilities and duties:
 - A **General**
 - (1) sets strategic objectives and devises an overall strategic plan to chart the direction of the Group in meeting the objectives and recommends to the Board for adoption and thereafter, monitor the implementation of the said strategies;



- (2) supports and directs all aspects of the business strategies and plans as assigned or delegated by the Board and take any action or assume any other powers and responsibilities that may from time to time be assigned or delegated by the Board to implement such business;
- (3) reviews the business plans and budgets and monitors the progress and performance of the business plan and budgets, including performance against agreed key performance indicators in all aspect of the DXN Group's operations;
- (4) puts into effect the policies laid down by the Board and monitors Management actions to ensure that Board policies are adhered to;
- (5) keeps under review the adequacy of reporting arrangements and the effectiveness of internal control and risk management system;
- (6) receives and considers regular reports from businesses within the Group (including salient development from associate companies and joint ventures ("JV"), as applicable) to monitor and drive performance improvement;
- (7) oversees sustainability function within the Group and provides advice and assistance to Board in monitoring the decisions and actions of management in achieving the Group's goal to be a sustainable organisation;
- (8) oversees Group Key Senior Management and DXN representatives in JV and associate companies, appointments, succession planning, remuneration packages and senior staff development;
- (9) examines, appraises and submits to the Board proposals for investment opportunities, which include acquisition or disposal of assets which are substantial in value as stipulated in the Authority Matrix;
- (10) guides the Group in its relations with shareholders and other key stakeholders, including staff, regulators, politicians, environmental interests and the media;



- (11) clears all papers (only with minor exceptions arising only as a result of practical difficulties) intended for consideration by the Board in advance of circulation or make recommendations to the Board; and
- (12) reviews and approves the request of providing gift, entertainment, travel, hospitality, donation and sponsorship to third parties based on the approved authorisation limits.

B Sustainability

- (1) Reviews and assesses sustainable impacts of major business decisions and recommend appropriate actions required;
- (2) Reviews and recommends to the Board the sustainability strategies and plans that will create long term shareholder value including the budget required in implementing sustainability initiatives;
- (3) Advises the Board to adopt Corporate Sustainability targets and innovative initiatives;
- (4) Examines the annual assessment of the Group's environmental performance and progress, to consider and approve methods of measuring, assessing or validating the Group's Corporate Sustainability performance, and where appropriate, to commission an external independent assessment of the direct and indirect impact of any aspect of the Group's operations;
- (5) Assesses the effectiveness of the Group policies and systems in identifying and managing the Environmental, Social and Governance (ESG) risks and opportunities that are material to the achievement of the Company objectives;
- (6) Monitors and provides recommendations to the Board on public policy, consumer, stakeholder, corporate, and general public trends, issues, and developments that could impact the Group; and
- (7) Reviews and recommends the Sustainability Report to be incorporated in the Annual Report.



- 7.2 Perform any other work that it is required or empowered to do by statutory legislation or guidelines as prepared by the relevant government authorities.
- 7.3 Undertake any other responsibilities as authorised by the Board.

8. Reporting

- 8.1 The Chairman shall, at the conclusion of each meeting, report to the Board on activities that it had undertaken and key recommendations for the Board's consideration and approval as well as follow-up status on any key recommendations from previous meetings.

9. Review of the Committee

- 9.1 The EXCO shall perform a self-assessment annually to assess its effectiveness in carrying out the duties as set out in these Terms of Reference and report the results to the Board.
- 9.2 The Board or the Nomination Committee (as authorised by the Board) must review the term of office and performance of the EXCO and each of its members at least once annually to determine whether the EXCO and members have carried out their duties and responsibilities effectively and in accordance with the terms of reference of the EXCO and to ensure that the Committee has the right composition, and sufficient, recent and relevant skills and expertise to effectively fulfil their roles.
- 9.3 All assessments shall be properly documented.

10. Deeming Provision

- 10.1 The provisions under these Terms of Reference have been drafted in a manner to also incorporate the provisions under the Constitution and other statutes, regulations and guidelines applicable to the EXCO. In the event the applicable provisions of the Constitution and/or relevant governing statutes, regulations and guidelines relating to EXCO are from time to time amended, modified or varied, such amendments, modifications and variations shall be deemed inserted herein whereupon these Terms of Reference shall be read and construed subject to and in accordance with the amended, modified or varied Constitution, statutes, regulations and guidelines.



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Terms of Reference | Executive Committee (cont'd)

11. Revision to the Terms of Reference

- 11.1 These terms of reference shall be reviewed by the Committee as and when required. All amendments to these terms of reference must be approved by the Board.
- 11.2 Upon the Board's approval, the said revision or amendment shall form part of these terms of reference and these terms of reference shall be considered duly revised or amended.