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

GROUP BOARD CREDIT COMMITTEE TERMS OF REFERENCE

1. Objective

Group Board Credit Committee ("Group BCC" or "the Committee") is a Committee of the Board of Directors ("Board") of Bank Pembangunan Malaysia Berhad ("BPMB"). Group BCC is to provide a supervisory and oversight role on all loans/financings/underwriting/credit-related proposals and investment as per limit set in Group Credit Risk Approving Authority Policy ("GCR AA Policy") of the BPMB and its group of subsidiaries ("BPMB Group") and to ensure adequate risk management processes related to credit are in place and functioning effectively.

The responsibility of the Committee covers the following entities within the Group:

a. BPMB;
b. Small Medium Enterprise Development Bank Malaysia Berhad ("SME Bank");
c. Export-Import Bank of Malaysia Berhad ("EXIM Bank"); and
d. Any other operating entities which do not have their own Credit Committee as deemed appropriate.

The Group BCC shall, under the authority delegated by the BPMB Board as the holding company, oversee the establishment, review, and amendment of all credit-related policies applicable across the BPMB Group.

All policies and revisions recommended by the Group BCC and approved by the BPMB Board shall be cascaded to the Boards of subsidiaries for formal adoption and implementation.

2. Composition

2.1 Group BCC shall consist of not less than three (3) members comprising a representative from the Board of BPMB, SME Bank and EXIM Bank.

2.2 All Members of Group BCC shall be Non-Executive Directors, with the majority of whom are Independent Non-Executive Directors.

The Chairman of the Board of BPMB, SME Bank and EXIM Bank shall not be a member of the Group BCC.

2.3 The appointment of the Chairman and members of Group BCC shall be approved by the BPMB Board.

All members of the Group BCC, including the Chairman, shall hold office so long as they remain as Directors of BPMB, SME Bank and EXIM Bank.

2.4 The members of the Group BCC may relinquish their membership with prior written notice to the Company Secretary and may continue to serve as Directors of BPMB, SME Bank and EXIM Bank.

2.5 The members of Group BCC shall possess sound judgement, objectivity, skill, relevant management experience, integrity, and industry knowledge. The members of the Group BCC are required to make a declaration of interest in the event that they have interests in proposals, which are being considered by Group 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 all situations where the members of Group BCC are deemed as interested, such an interested member would recuse himself/herself from all proceedings and deliberations of Group BCC pertaining to the matters of conflict. The declaration of interest and abstention from deliberation and voting would be recorded in the minutes of the meeting or in the written resolutions of the Group BCC.

3. Chairman

3.1 The Chairman of the Group 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 Group BCC may invite the Group Chief Executive Officer, other Directors, and/or Senior Management of BPMB Group to attend the Group BCC Meeting as 'Invitee' to participate in the meeting during the presentation and deliberation.

4.2 Group BCC may invite to its meeting such other persons as it deems appropriate, in order to carry out its responsibilities.

5. Secretary

5.1 The Company Secretary or any other personnel authorised by Group BCC shall prepare the minutes and resolutions of all Group BCC meetings, including the names of those present and in attendance.

6. Authority

6.1 Group BCC shall have the authority to cover any matter within its Terms of Reference ("TOR"), internal policies, and any other regulatory requirements.

6.2 Group BCC shall have full authority to seek/obtain information from any employee of BPMB Group and to commission any investigations, reports or surveys, which it deems necessary in facilitating the Group BCC to fulfil its duties and obligations.

During the discharge of its duties, Group BCC shall have access to the advice and services of the Company Secretary(s).

6.3 Group BCC may request, at BPMB Group's expense (where applicable), any external or independent professional advice or expertise, with regard to the Group BCC matters, if necessary.

6.4 The Group BCC is encouraged to have an independent session with the Committee, without the presence of Management, before or after the Group BCC meeting.

6.5 Group BCC shall be able to convene meetings with Management and, if appropriate, the Secretary whenever deemed necessary.

6.6 The Chairman's report of the Group BCC shall be presented to the Board of BPMB and its subsidiaries (where related to them) on the deliberations, key matters considered, and the Committee's recommendations arising from each meeting, through the presentation of the said report. The report shall highlight significant issues discussed and decisions made within the Committee's authority.

6.7 Where an agenda item gives rise to ambiguity or requires comprehensive deliberation and holistic consideration beyond the remit of the Group BCC, the Chairman or any member of the Group BCC shall have the discretion to escalate the matter to the Board of BPMB and/or its subsidiaries (where applicable) for collective deliberation and informed decision.

7. Roles & Responsibilities

7.1 To deliberate, review and if necessary, exercise the rights to veto, challenge, or reject Group Credit Committee's ("GCC") approval and/or recommendations/ decisions on all loans/ financings/credit-related proposals, takaful/ insurance related proposals and investment of above RM50.0 million, including the proposed terms and conditions or any variations thereof as per the limit and authority set in the GCR AA Policy.

7.2 Make necessary recommendations for the approval of the Board of BPMB and its subsidiaries (where applicable), on all loans/ financings/ credit-related proposals, takaful/ insurance-related proposals, and investments involving a Connected Party ("CP"), Exceeding the Single Customer Exposure Limit ("SCEL"), and Specific Politically Exposed Person ("SPEP") /High Risk Customer ("HRC"), after thorough deliberation and consideration through robust assessments of related risks.

Any exposure related to the above at the subsidiary level shall be approved by the respective Subsidiary Board, and subsequently notified to the BPMB Board.

Note:
*SPEP/HRC referring to Regardless of the amount *Royalty related, Prime Minister, Deputy Prime Minister, Federal Ministers, Chief State Ministers, State EXCO, Judicial officials, Military officials, Senior Executives of SOC/SOE, Important political party officials (including close family)*

7.3 To recommend or veto policy loans/financing of BPMB Group, which are required by statute to be approved by the BPMB Board, provided that the initial filter of approval is conducted at the GCC.

7.4 To review the TOR of the GCC and Financing & Investment Committee ("FIC") as recommended by the Group Executive Committee prior to submission to the BPMB Board for approval.

7.5 To note the minutes of the FIC and GCC's meeting and its written circular resolution.

7.6 To perform the credit risk oversight role in a manner that is not compromised and without undue influence from any party.

		7.7	To recommend, approve or veto any other matters as prescribed in the GCR AA Policy.
		7.8	To consider any other matters referred by the BPMB Board to Group BCC.
8.	Quorum	8.1	The quorum for the Group 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 Group 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 Group 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 or a proposed contract or 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 Group BCC's recommendation and/or approval shall be made unanimously. Any member may exercise a veto right, and the proposal shall not proceed if a veto is exercised.
9.	Frequency of meetings	9.1	Group BCC shall meet at least twelve (12) times a year or at such other times as and when requested by the Chairman of the Group BCC. However, the meeting fees are only paid up to 18 meetings in a year.
10.	Attendance	10.1	All members are required to attend at least 75% of the Group BCC meetings held in each financial year. Attendance shall be validated only through registration via the designated QR code or any approved attendance-recording mechanism.
		10.2	Members who are unable to attend shall notify the Chairman, together with written justification(s) via other modes of telecommunication.
		10.3	Any member who fails to attend three (3) consecutive Group BCC meetings and is in non-compliance with clause 10.1 above, the member will be referred to the BPMB Board for necessary action.
11.	Notice of Meeting & Meeting Papers	11.1	Meetings shall be notified by the meeting Secretary or any other personnel authorised by the Group BCC at the request of the Chairman.
		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 the Group BCC, preferably not less than seven (7) days prior to the date of the meeting.

11.3 All meeting papers shall be provided to the Group BCC Members not less than three (3) days prior to the date of the meeting. However, papers that are deemed urgent and/or confidential may still be submitted to the Secretary after the expiry of the deadline for paper submission to be tabled at the Group BCC, subject to the approval by the Chairman of the Group BCC.

11.4 After the conclusion of the Group BCC meeting, a summary decision of the meeting shall form part of the presentations and proposal papers to the relevant Board meetings.

12. Confidentiality and Document Handling

12.1 All Group BCC material is strictly confidential and provided solely for the Group BCC discussion.

12.2 To ensure confidentiality is protected, highly sensitive papers can be distributed on the day of the meeting or during the meeting.

12.3 Appropriate measures may be taken, in the interest of confidentiality and good governance, to safeguard the Group BCC materials upon the conclusion of a meeting.

12.4 The Company Secretary shall act as the custodian of all confidential documents and meeting recordings of the Group BCC.

Any recording of the Group BCC meetings shall be strictly for the purpose of assisting the Secretary in the preparation of the minutes.

12.5 The retraction of confidential documents may only be requested by the Chairman of the Group BCC.

12.6 Breach of confidentiality obligation by any member, company secretary or any responsible person shall be subject to review by the Group BCC and BPMB Board.

13. Minutes of Meeting & Circular Resolution

13.1 The Secretary shall minute the proceedings and resolutions of the meeting. The minutes must record the decisions of the Group 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.

13.2 The Secretary shall ascertain, at the beginning of the meeting, the existence of any conflict of interest and minute them accordingly.

13.3 Draft minutes of each Group BCC meeting shall be circulated to the Group BCC members prior to the tabling of the said minutes for confirmation five (5) days before the subsequent Group BCC meeting.

13.4 Minutes of the Group BCC Meetings shall be approved by the members and signed or digitally signed by the Chairman of the meeting.

13.5 A circular resolution in writing signed or digitally signed by all of the members of Group BCC in like form shall be valid and effectual as if it had been passed at a meeting of the Group BCC. The circular resolution in writing, shall be supported by relevant papers setting out the details of the subject matter. The members of the Group 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 are not complex and do not require in-depth discussion. All circular resolutions shall be submitted for information/ confirmation at a meeting of the Group BCC following the passing of the circular resolutions.

13.6 Minutes of meetings and circular resolutions in writing of Group BCC, which have been confirmed and signed/digitally signed, shall be submitted to the BPMB Board, for notification.

14. Others

14.1 The TOR shall be reviewed once every two (2) years or as and when required.

The review/ amendment/ modification of the TOR shall be tabled at the Group BCC for recommendation and approved at the BPMB Board.

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