

SOCAM Development Limited

Finance Committee Terms of Reference

A. Purpose and Role of the Finance Committee

1. Purpose – the Finance Committee provides high level governance and oversight on the overall financial well-being of the Group.
2. Role – Reporting to the Board, the Finance Committee acts as the governing body which sets parameters and provides guidance on the sound financial management of the Group as a whole so as to ensure business operations can be run smoothly while a strong and healthy financial position is maintained for the Group at any one point in time and in the long run.

B. Composition of the Finance Committee

1. The Finance Committee shall comprise a minimum of 2 INEDs and/or NEDs and key personnel from executive management.
2. The Chief Financial Officer must be one of the Committee members.
3. The chairman of the Committee shall be appointed by the Board.
4. Any addition, removal or replacement of Committee members shall be approved by the Board.
5. The Director or General Manager of the Finance and Accounts Department shall act as secretary to the Committee.

C. Authority and Responsibilities of the Finance Committee

1. Reporting to the Board, the Committee shall have the authority to recommend financial policies and guidelines of the Group to the Board for approval.
2. Responsibilities of the Committee shall include the following:
 - 2.1 To set overall financial objectives and strategies for the Group.
 - 2.2 To adopt a set of financial policies for the Group and oversee its consistent application throughout the Group.

- 2.3 To assess the financial structure of the Group from time to time to ensure it will complement the growth and development of the businesses of the Group.
- 2.4 To plan and approve deployment of financial resources to facilitate the achievement of business strategies of the Group.
- 2.5 To approve the funding requirements and strategies of the Group and ensures its financial well being.
- 2.6 To review investment projects / major capital expenditures to be undertaken and chairman of the Committee shall inform / advise the Board of Directors on the financing viability of the investment projects / major capital expenditures.
- 2.7 To monitor any deviation from or breach of financial guidelines set forth in the finance policy until any such breach or deviation is remedied.
- 2.8 To monitor developments in the financial / banking sector and assess its impacts on the Group relating to funding / financial strategies.
- 2.9 To monitor and advise on overall banking relationship and loan covenants.
- 2.10 To monitor cash flow and liquidity of the Group and review cash flow forecast to ensure sustainability.

D. Meetings of the Finance Committee

1. The Finance Committee shall meet quarterly or as required to review the financial operations of the Group as well as to review funding matters relating to major investments / capital expenditures / acquisitions activities of the Group.
2. Ad hoc meetings can be convened whenever needed. However, if the meeting is to endorse funding for major investments / capital expenditures, then a minimum of 3 working days' notice should be given to convene the meeting and information relating to the investment / capital expenditure should be provided to the Committee members for consideration at the time of the notice of the meeting.

3. Quorum shall include at least three members of the Committee, including the Chief Financial Officer and at least one INED / NED member.
4. Secretary of the Committee shall ensure that full minutes are kept of all meetings. Minutes of the Committee meetings shall be circulated to all members of the Committee and made available upon request to other members of the Board.

(Adopted on 16 September 2009 and incorporated all amendments up to 29 August 2017)