



POS MALAYSIA BERHAD
(Company No. 229990-M)
(Incorporated in Malaysia)

BOARD CHARTER
POS MALAYSIA BERHAD

BOARD CHARTER OF POS MALAYSIA BERHAD
(Effective Date: 27 June 2014)

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BOARD CHARTER OF POS MALAYSIA BERHAD

I. INTRODUCTION AND PURPOSE OF BOARD CHARTER

The Board of Directors (“**Board**”) is responsible for the proper stewardship of Pos Malaysia Berhad (“**Pos Malaysia**” or “**Company**”) and its subsidiaries (collectively the “**Group**”) and is entrusted with leading and overseeing the business of the Group, which includes optimising long-term financial returns and shareholder wealth creation.

The Board Charter aims to assist the Directors to better appreciate their roles and responsibilities, provide guidance including appropriate performance frameworks for measuring the performance of the Board as a whole as well as the contribution of each Director. It is hoped that with an appropriate understanding of its role and a framework for measuring performance, the Board will be better equipped to meet its responsibility of ensuring the long-term objectives of the Group are met.

2. INTERPRETATION

In this Charter:

“Articles” means the Articles of Association of the Company;

“Board” means the Board of Directors of the Company;

“Board Committees” means the Board Audit Committee, Board Nominating and Remuneration Committee, Board Tender Committee, Board ICT Committee, Board Risk Management and Compliance Committee and any other Board Committee as may be established by the Board from time to time as it may deem fit and necessary;

“Bursa Securities” means Bursa Malaysia Securities Berhad;

“Business” means the business of the Company and all its subsidiaries;

“Chairman” means the Chairman of the Board and is used in a gender-neutral sense;

“Company Secretary(ies)” means the Board secretary(ies) appointed by the Board;

“Chief Level Executives” means C-Suite senior management members of the Group as defined in the TOR of the Board Nomination and Remuneration Committee;

“Director” means a member of the Board;

“GCEO” means the Company’s Group Chief Executive Officer;

“Group” means the Company and all its subsidiaries;

“Independent Director” is as defined in the Listing Requirements;

“Listing Requirements” means the Main Market Listing Requirements of Bursa Securities;

“Management” means the management personnel of the Group;

“MCCG 2012” means the Malaysian Code on Corporate Governance 2012;

“Shareholders” means the shareholders of the Company;

“Special Shareholder” means the Minister of Finance (Incorporated); and

“TOR” means Terms of Reference.

3. OVERVIEW OF BOARD RESPONSIBILITIES

- 3.1 The Shareholders have delegated the stewardship to oversee the management of the business of the Group to the Directors and the Board on their behalf so as to protect and enhance long term shareholder value, and to meet the Group’s obligations to all parties with which the Group interacts.
- 3.2 In doing so, the Board is empowered to ensure proper management of the Group, including optimising long-term financial returns towards shareholder wealth creation. The Board is responsible for ensuring that the Group is managed to achieve the said result.
- 3.3 In addition to fulfilling its obligation to increase shareholder value, the Board owes a responsibility to the Group’s other stakeholders namely its customers,

employees, suppliers, regulators and to the community as a whole where it operates, all of whom are fundamental to a successful business. All of these responsibilities, however, are founded upon the successful continuation of the business.

3.4 The principal responsibilities of the Board are as follows:-

- (i) Ensure that the Group's goals are clearly established and that a strategic plan is in place to achieve them, as well as setting expectations at the beginning of each financial year by which the Board's evaluation of its success would be benchmarked against;
- (ii) Establish policies for strengthening the performance of the Group including ensuring that Management is proactively seeks to build the business through innovation, initiative, technology, new products and the development of its business capital;
- (iii) Adopt performance measures to monitor implementation and performance of the strategy, policies, plans, legal and fiduciary obligations that affect the business;
- (iv) Oversee the conduct of the Group's business to evaluate whether the business is being properly managed. This includes ensuring the solvency of the Group and the ability of the Group to meet its contractual obligations and to safeguard its assets;
- (v) Appoint the Group Chief Executive Officer and any other person(s) of Chief Level Executives (as defined in the TOR of the Board Nomination and Remuneration Committee ("**BNRC**")) including setting the terms, objectives and goals of his/her employment contract;
- (vi) Ensure the Group has appropriate business risk management processes, including adequate control environment be it the internal control

systems or management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines and controls in areas of significant financial and business risks;

- (vii) Appoint Board Committees to address specific issues, considering recommendations of the Board Committees and discuss problems and reservations arising from the Board Committees' deliberations;
- (viii) Ensure that the statutory accounts of the Group are fairly stated and otherwise conform with the relevant regulations and acceptable accounting policies;
- (ix) Ensure that an appropriate succession planning mechanism is in place for members of the Board and for Senior Management positions;
- (x) Ensure that the Group adheres to high standards of ethics and corporate behaviour including transparency in the conduct of business. Directors are required to comply with the Directors' Code of Conduct, which amongst others, include the declaration of any personal, professional or business interest, direct or indirect which may conflict with directors' responsibilities as a Board member and to refrain from voting on such transaction with the Group;

The Directors' Code of Conduct is attached herewith as **Appendix A**.

- (xi) Ensure that an appropriate public relations and communication programmes and an investor relation programme are in place; and
- (xii) Ensure that there is a schedule of matters reserved for collective decision of the Board.

The Schedule of Matters reserved for the collective decision of the Board are as listed in **Appendix B**.

- 3.5 In carrying out the principal responsibilities of the Board, each Director shall do the following:-
- (i) Attend all Board meetings but where attendance at meetings is not possible, ensure that appropriate steps are taken to obtain a leave of absence;
 - (ii) Acquire knowledge about the business of the Group, the statutory and regulatory requirements affecting the effective discharge of their duties to the Group, and be aware of the physical, political and social environment in which the Group operates;
 - (iii) Study in advance all information and documentary materials provided and be prepared to discuss their contents at Board meetings;
 - (iv) Assist the Chairman in providing the Group with effective leadership;
 - (v) Be available to advise Management between Board meetings as and when necessary;
 - (vi) Participate actively and to effectively contribute to Board discussions towards meeting the duties and responsibilities of the Board as outlined herein and in the respective TOR of Board Committees (where applicable);
 - (vii) Always be alert of potential conflicts of interest that may affect the performance of his or her fiduciary duty towards the Group and seek to avoid these potential conflicts wherever possible. Any interest, actual or perceived (direct or indirect) should be declared to the Board as soon as possible; and
 - (viii) Act honestly, in good faith and in the best interest of the Group as a whole, using due care and diligence in fulfilling his or her responsibilities, and exercising the powers attached to that office.

- 3.6 Directors should consult the Chairman and/or the Company Secretary for any clarification on their responsibilities and duties and on any dealing from where a potential conflict of interest situation may arise.

4. BOARD STRUCTURE

4.1 Board balance and composition

- 4.1.1 The composition of the Board is to reflect the duties and responsibilities it has in discharging and performing its responsibilities. The composition of the Board shall reflect as much as possible or practicable, proportional representation of various investors in the Group. A Director is not required to hold any qualification share in the Company.
- 4.1.2 The Articles of Association of the Company provide for a minimum of two (2) and a maximum of twelve (12) Directors. Pursuant to the Listing Requirements, the Company must ensure that at least 2 Directors or 1/3 of the Board, whichever is the higher, are Independent Directors.
- 4.1.3 The rights of the Company's Special Shareholder are as stipulated in the Articles.
- 4.1.4 As recommended under the MCCG 2012, subject to paragraph 4.1.5, the tenure of an Independent Director of the Company should not exceed a cumulative term of nine (9) years. The nine-year period can either be based on a consecutive service basis or a cumulative basis with intervals.
- 4.1.5 In the event the Board wishes to maintain the directorate of an Independent Director beyond the nine-year limitation period, the

Board must justify and seek specific Shareholders' approval on the matter at the Company's general meeting. If Shareholders' approval is not obtained, upon completion of the nine-year period, an Independent Director may still continue to serve on the Board but subject to him/her being re-designated as Non-Independent Director.

- 4.16 The Board supports the gender boardroom diversity as recommended under the MCCG 2012. The Board through the BNRC will review the appropriate proportion of female to male Directors on the Board at the time of considering appointment of new Directors to the Board.
- 4.17 Apart from gender boardroom diversity, the Board also supports diversity in ethnicity and age. The Board through the BNRC will review the appropriate proportion of the age group and ethnicity of Board members at the time of considering appointment of new Directors to the Board.
- 4.18 Directors shall not hold directorships in more than five (5) public listed companies at any one time subject to amendment(s) that may be made to this limitation by Bursa Securities from time to time. Before accepting any new directorship, a Director shall first notify the Chairman of the Board and the notification shall include an indication of time that the said Director will spend vis-a-vis the new appointment.

4.2. New Board Member

- 4.2.1 Newly appointed Directors shall be briefed on the terms of their appointment, their duties and responsibilities. Copies of the following shall be provided to the newly appointed Director:-
- i. this Board Charter;
 - ii. the Company's Memorandum and Articles of Association;
 - iii. Latest Annual Report and audited financial statements of the Company;

- iv. Latest Strategic Plans and Annual Management Plan of the Company; and
- v. Organisation Chart.

4.2.2 A Board induction session shall be conducted by Management to give the newly appointed Director an overview of the business and strategic plans of the Group.

4.3 Role of Chairman

4.3.1 The roles of the Chairman and the GCEO shall be separated. The Chairman is responsible for representing the Board to the Shareholders and is responsible for ensuring the integrity and effectiveness of the governance process of the Board. The Chairman shall maintain regular dialogues with the GCEO over all operational matters and shall promptly consult with the Board over any matter that gives him or her any cause of concern pertaining to the Group.

4.3.2 The Chairman shall act as a facilitator at meetings of the Board to ensure that no Director, whether executive or non-executive, dominates discussions at Board meetings. He shall ensure that appropriate discussions take place and relevant opinions among Directors are forthcoming. The Chairman shall also ensure that discussions result in logical and understandable outcomes.

The key roles and responsibilities of the Chairman include the following:-

- (i) Provide governance in matters requiring corporate justice and integrity;
- (ii) Manage Board communication and Board effectiveness and effective supervision over Management;
- (iii) Create conditions for good decision making during Board and Shareholders meetings;
- (iv) Ensure Board proceedings are in compliance with good conduct

- and practices;
- (v) Protect the interest and provide for (if permissible) the information needs of various Stakeholders;
 - (vi) Maintain good contact and effective relationship with external parties, investing public, regulatory agencies and trade associations;
 - (vii) Ensure that quality information to facilitate decision-making is delivered to the Board by Management in a timely manner; and
 - (viii) Ensure compliance with all relevant regulations and legislations.

4.4 Board Committees

4.4.1 The Board may delegate its responsibilities for specified matters to individual Directors or Board Committees. Each Board Committee must be provided with written TOR which clearly state the extent and limits of their responsibilities and authority and whether they can act on behalf of the Board, or to provide the necessary reporting to the Board.

4.4.2 The present Board Committees are as follows:-

- (i) Board Audit Committee - The TOR of the Board Audit Committee is as set out in **Appendix C**;
- (ii) BNRC - The TOR of the BNRC is as set out in **Appendix D**;
- (iii) Board ICT Committee - The TOR of the Board ICT Committee is as set out in **Appendix E**;
- (iv) Board Tender Committee - The TOR of the Board Tender Committee is as set out in **Appendix F**; and
- (v) Board Risk Management and Compliance Committee - The TOR of the Board Risk Management and Compliance Committee is as set out in **Appendix G**.

4.4.3 The TOR of the Board Committees are subject to a review and revision, amendment or modification by the Board from time to time, in which case the most recently amended TOR of a Board Committee shall be

the TOR that shall apply to the said Board Committee.

5. BOARD PROCEDURES

5.1 Board Meetings

The Board shall meet at regular intervals throughout the year. At each scheduled meeting, the Board shall consider, where applicable:-

- Operational report(s), the financial results and cash flow projections;
- Review the reports and recommendations of the Board Audit Committee;
- Approve the quarterly announcement and quarterly financial statement to Shareholders and the public;
- Schedule of Matters which are reserved for the Board's collective decision;
- Significant capital expenditure and acquisitions;
- Significant disposal of the Company/Group assets;
- Major issues or opportunities;
- Committee minutes/Board Circular Resolutions for notation;
- Changes in directorships and disclosure of interests;
- Disclosure of dealings by Directors/Principal Officers;
- Summary of shares movement for substantial shareholders; and
- Any other matters requiring the Board's approval.

In addition, the Board shall, at periodic intervals of not more than one year:-

- Review the Company's and the Group's objectives and goals;
- Review the strategies for achieving the stated goals;
- Approve the operational plan and budget;
- Consider and, if deem appropriate, declare or recommend payment(s) of dividends; and
- Review/approve reports and recommendations from the Board Audit

Committee and other Board Committees.

5.2 Meeting papers

In order to allow sufficient time for Directors to consider and better deliberate on matters that are tabled to the Board, Board papers, relevant information and agenda items are to be circulated at least five (5) working days before each meeting to the Directors and permanent invitees of the meeting.

5.3 Access to Independent Professional Advice

In discharging Directors' duties, each Director is entitled to obtain independent professional advice at the cost of the Company.

5.4 Access to Management and Information

The Directors shall have unrestricted access to Management and to information pertaining to the Company and/or the Group, including from the Company's auditors and consultants.

The Directors must use proper judgment to ensure that any contact made with Management does not distract the business operations of the Group and Management's function. Such contacts must be made through the GCEO.

6. ROLE OF THE GCEO

The GCEO is accountable to the Board for the overall organisation, management and staffing of the Group and for the procedures in financial and operational matters, including in the areas of staff conduct and discipline and to promote leadership by example. The Board shall link the Company's governance and management functions through the Chairman with the GCEO. All Board authority conferred on Management is delegated through the GCEO so that the authority and accountability of Management is considered to be the authority

and accountability of the GCEO so far as the Board is concerned. The GCEO's authority is explicitly provided for in the Limits of Authority. The Directors should support the GCEO in undertaking this responsibility.

The role of the GCEO is summarised as follows:-

- i. Foster a corporate culture that promotes ethical practices, encourages individual integrity and fulfill social responsibility;
- ii. Maintain a positive and ethical work climate that is conducive to attracting, retaining and motivating a diverse group of quality employees at all levels;
- iii. Develop and recommend to the Board a long-term strategy and vision for the Group that leads to the creation of shareholder value;
- iv. Develop and recommend to the Board the Group annual business plans and budget that support the Group's long-term strategy;
- v. Ensure achievement of objectives and goals as contained in the strategic plan;
- vi. Foster a corporate culture that promotes adherence to laws and regulations of the country;
- vii. Manage the overall business and oversees the day-to-day operations of the Group;
- viii. Ensure continuous improvement in the quality and value of the products and services provided by the Group;
- ix. Ensure that the Group achieves and maintains a satisfactory competitive position within its industry;
- x. Recommend management structure and operating authority level which includes delegation of responsibilities to Management;
- xi. Ensure that the Group has an effective Management team below the level of the GCEO and has an active plan for its development and succession;
- xii. Ensure in cooperation with the Board, that there is an effective succession plan in place for the GCEO;
- xiii. Formulate and oversee the implementation of major corporate policies;
- xiv. Accountable to the Board for the propriety and regularity of the

finances;

- xv. Responsible for the financial management of the Group and overseeing the handling of the Group's financial matters which include keeping proper accounts for prudent and economical administration, avoidance of waste and extravagance, for efficient and effective use of all resources;
- xvi. Report to the Board periodically on the financial position of the Group which includes forecast results as may be required from time to time;
- xvii. Report to the Board on key performance indicators in relation to the financial results, market conditions and other developments;
- xviii. Recommend to the Board on annual management salary increment and Employees Share Option entitlement;
- xix. Report to the Board on the results of employee union negotiation;
- xx. Report to the Board on significant business decisions; and
- xxi. Serve as the chief spokesperson for the Group.

7. THE COMPANY SECRETARY

7.1 The appointment or removal of Company Secretary shall be the prerogative of the Board as a whole.

7.2 The specific responsibilities of the Company Secretary are as follows:-

- i. Advise the Board and Management on governance issues;
- ii. Ensure compliance with listing and related statutory obligations;
- iii. Attend Board, Board Committees and general meetings, and ensure proper recording of minutes of meeting(s);
- iv. Ensure proper upkeep of statutory registers and records;
- v. Assist the Chairman in the preparation for and conduct of meetings;
- vi. Continuously update the Board on changes to listing rules, other related legislations and regulations.

8. RELATIONSHIP OF THE BOARD WITH SHAREHOLDERS AND STAKEHOLDERS

Although the primary duty of the Board is to provide accountability to its Shareholders, a wide range of stakeholders have begun to look to the Board to provide information about the Company's standing. This includes the regulators for statutory disclosure, creditors and lenders for confirmation on financial status, and customers for continuation of service and behaviour. In meeting these accountability responsibilities, the Board shall use its best endeavours to familiarise itself with the issues which are of concern to the Shareholders and stakeholders.

9. DIRECTORS' TRAINING

Directors' are required to undergo the required mandatory accreditation programme organised by Bursa Securities. In addition, Directors are required to attend relevant training courses/seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors as well as on technical matters; for example, on financial reporting standards, tax budgets, Corporate Governance, and others.

10. DIRECTORS' REMUNERATION

10.1 The Board will determine the level of remuneration to be paid to the Executive Directors (if any), taking into consideration the recommendations of the BNRC. However, the determination of the remuneration packages of non-executive directors, including non-executive Chairman, shall be decided by the Board as a whole.

10.2 Non-executive Directors will be paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in the Board Committees and for their attendances at meetings. The fee which is subject to the approval of the shareholders, shall be fixed in sum and not by a commission or percentage of profits/turnover.

11. BOARD AND DIRECTORS EVALUATION

- 11.1 The MCCG 2012 stipulates that the Board should implement a process, to be carried out by the Nominating Committee (or in the context of Pos Malaysia, the BNRC) on an annual basis, to assess the effectiveness of the Board of Directors as a whole, the Board Committees and the contribution of each individual Director.
- 11.2 Pursuant to the Listing Requirements in assessing individual Directors, the Board should take into consideration the Directors' character, experience, integrity, competency and time to effectively discharge his/her role as a Director of the Company.
- 11.3 The BNRC shall assess on an annual basis the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director. The BNRC shall also ensure that all assessments and evaluations carried out by the BNRC in the discharge of this function are properly documented.

12. EVALUATION PROCESS

The evaluation on the effectiveness of the Board of Directors, Board Committees and individual Directors shall be conducted through self-assessment methodologies whereby two (2) sets of Questionnaires namely, the "Evaluation of the Effectiveness of the Board Questionnaire" and the "Evaluation of the Effectiveness of the Board Committees Questionnaire" for the period under review shall be sent out to all members of the Board and the respective Board Committees for their completion. As for the assessment on each individual Director, each Director shall be requested to undertake a self-assessment under the "Evaluation of the Effectiveness of the Board Questionnaire".

APPENDIX A

DIRECTORS' CODE OF CONDUCT

Members of the Board of Directors (“**Board**”) of Pos Malaysia Berhad (“**Pos Malaysia**” or “**the Company**”) shall discharge their duties professionally, with due diligence and efficiency and to the best of their abilities. In discharging their duties, each member of the Board shall at all times abide by and conform to the following Code of Conduct:-

A. CORPORATE GOVERNANCE

1. Have a clear understanding of the aims and purpose, capabilities and capacity of the Company;
2. Devote time and effort to attend meetings and to know what is required of the Board, and to discharge those functions effectively;
3. Ensure at all times that the Company is properly and effectively managed and at all times act in the best interest of the Company;
4. Stay abreast of the affairs of the Company and be kept informed of the Company's compliance with the relevant laws, rules and regulations;
5. Insist on being kept informed on all matters of importance to the Company in order to be effective in corporate management;
6. Notwithstanding the limit allowed under the relevant regulations or rules, to limit his/her directorship of companies to a number in which he can best devote his/her time and effectiveness;
7. Exercise his/her powers for the purposes that were conferred to him/her by the Board and act in good faith for the benefit of the Company;
8. Not divert to his/her own advantage and/or to the advantage of his/her connected persons any business opportunity that the Company is pursuing, and shall not use confidential information obtained by reason of his/her office for his/her own advantage or that of his/her connected persons and/or other third parties;
9. At all times act with utmost good faith and integrity towards the Company in any transaction and to act honestly and responsibly in the exercise of his/her powers in discharging his/her duties;
10. Willing to exercise independent judgment and, if necessary, to openly oppose if the interest of the Company is at stake;

11. Maintain confidentiality of all Company information which are sensitive in nature and which are not already in the public domain;
12. Avoid any conflict of interest with fiduciary duty as follows:-
 - a. To not have any self-dealing and/or conduct any private business or personal services with the Company and/or its group of companies except in accordance with the duly approved policies, processes and procedures to ensure openness, competitive opportunity and equal access to information.
 - b. To abstain himself or herself from voting and deliberating on any matter which involves his/her interest and/or involves a conflict of interest with his/her fiduciary duty.
 - c. To not use his/her position to obtain employment for himself/herself or his/her connected persons.
 - d. To immediately and regularly disclose his/her involvement with any organisation, vendor, or association that might result in a situation of conflict.
 - e. A Director should immediately and regularly declare to the Board, their interest, actual or perceived (direct or indirect) and/or any changes to their personal particulars as soon as possible either verbally or in writing.
13. Exercise his/her authority over the Company as explicitly set forth in the Board Charter and/or the Limits of Authority and/or as authorised by the Board.

B. *RELATIONSHIP WITH SHAREHOLDERS, EMPLOYEES, CREDITORS AND CUSTOMERS*

1. Be conscious of the interest of all shareholders, employees, creditors and customers of the Company;
2. Promote professionalism and improve the competency of management and employees; and
3. Ensure adequate safety measures and provide proper protection to employees at the workplace.

C. SOCIAL RESPONSIBILITIES AND ENVIRONMENT

1. Adopt an objective and positive attitude and give the utmost cooperation for a common goal when dealing with government authorities or regulatory bodies;
2. Ensure the effective use of natural resources, and improve quality of life by promoting corporate social responsibilities;
3. Be more proactive to the needs of the community and assist in society-related programmes in line with the Corporate Social Responsibility Policy of the Company;
and
4. Ensure that the activities and the operations of the Company do not harm the interest and well-being of the society at large.

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APPENDIX B

SCHEDULE OF MATTERS RESERVED FOR DECISION OF THE BOARD

The list of matters reserved for decision of the Board are as specified below. The list of matters may be varied, or amended from time to time as may be determined and approved by the Board.

Conduct of the Board

1. Appointment and removal of directors based on recommendations of the Board Nomination and Remuneration Committee and subject to relevant laws and regulations.
2. Appointment and removal of Company Secretary.
3. Establishment and/or dissolution of Board Committees; and appointment and/or cessation of members of the Board Committees based on the recommendation of the Board Nomination and Remuneration Committee.
4. Terms of Reference of Board Committees and amendments to such terms.
5. Appointment and removal of senior executive positions, as per the Company's Limits of Authority.

Remuneration

1. Fee for Non-Executive Directors subject to the approval of Shareholders.
2. Remuneration structure packages and policy for the Group Chief Executive Officer and Chief Level Executives based on the recommendation of the Board Nomination and Remuneration Committee.
3. New employees' share option scheme and/or amendments to the scheme, subject to other approvals that may be required by law or regulation.
4. Allocation and share grants in employees' share schemes.

Operational, Planning and Investments

1. Business strategy, Group management plan and annual budget.
2. Mid-term annual review of Group performance against business strategy and/or Group annual management plan.

3. Capital expenditure exceeding Management's authority or amounts under the Company's Limits of Authority.
4. Write-off of bad debts and assets exceeding Management's authority or amount under the Company's Limits of Authority.
5. Investments or divestments in a company/business/property/undertaking.
6. Investments or divestments of a capital project which represent a significant diversification from the existing business activities.
7. Changes in the major activities of the Company.
8. Limits of Authority for the Company and any amendment thereto.

Financial

1. Quarterly interim and annual financial statements based on recommendation of the Board Audit Committee.
2. Release of announcements on quarterly interim and annual financial statements to Bursa Securities.
3. Annual Directors' Report and Statutory Accounts.
4. Declaration of interim dividends, recommendation of final dividends and the making of any distribution.
5. Adoption of accounting policies.
6. Approval of treasury policies.
7. Effectiveness of the Group's system of internal control. This function is delegated to the Board Audit Committee, which will in turn report to the Board on its findings.

Other matters

1. Granting of powers of attorney by the Company.
2. Providing indemnities or guarantees.
3. Recommendation for the alteration of the Company's Memorandum and Articles of Association.
4. Change of the Company's name, financial year end and registered office.
5. Purchase of own shares/share buy-back by the Company.
6. Issuance of debt instruments.
7. Charitable contributions as per the Company's Limits of Authority.

8. Statement on Corporate Governance and/other relevant Statements for inclusion in the Company's Annual Report.
9. Scheme of reconstruction or restructuring.
10. Any other significant business decision.
11. Any other matters requiring the convening of a general meeting of Shareholders or any class of Shareholders.
12. Any other matters which may require approval of the Board as stipulated under any relevant law, rule, regulation, or guideline, circular or directive of any relevant authority.
13. Any other matters requiring the Board's approval under the Limits of Authority of the Company. In the event of any inconsistency between any of the reserved matters herein and the Company's Limits of Authority, the Board Charter shall prevail.

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APPENDIX C

TERMS OF REFERENCE OF BOARD AUDIT COMMITTEE

I. Constitution

- 1.1 The Board Audit Committee shall be formed by the Board of Directors of the Company (“**Board**”) and the Committee members shall be appointed by the Board from amongst the Board members.
- 1.2 The functions and authority of the Board Audit Committee extends to PMB and all its subsidiaries as well as joint venture and associate companies where management responsibility is vested on PMB or subsidiaries of PMB (collectively referred to as the “**Group**”).

2. Objectives

- 2.1 The objectives for the formation of the Board Audit Committee are as follows:-
- (a) To ensure openness, integrity and accountability in the Group’s activities so as to safeguard the rights and interests of the Shareholders.
 - (b) To provide assistance to the Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices.
 - (c) To improve the Group’s business efficiency, the quality of the accounting and audit function and strengthening of the public’s confidence in the Group’s reported results.
 - (d) To maintain, through regularly scheduled meetings, a direct line of communication between the Board and the External and Internal Auditors.
 - (e) To enhance the independence of the External and Internal audit functions.

- (f) To create a climate of discipline and control to minimise or eliminate fraud.

3. Membership

- 3.1 Members of the Board Audit Committee shall be appointed by the Board upon recommendation of the Board Nomination and Remuneration Committee.
- 3.2 The Board Audit Committee shall comprise at least three (3) members, all of whom shall be non-executive Directors with a majority of them being Independent as defined under the Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”).
- 3.3 The Board Audit Committee shall elect an Independent Director from amongst its members as its Chairman.
- 3.4 At least one (1) member of the Board Audit Committee must meet the criteria set under the Listing Requirements as follows:-
 - (a) Must be a member of the Malaysian Institute of Accountants; or
 - (b) If he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least 3 years’ working experience and:-
 - (i) he/she must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or(ii) he/she must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
 - (ii) he/she must fulfil other requirements as prescribed by Bursa Malaysia Securities Berhad.
- 3.5 No alternate directors shall be appointed to the Board Audit Committee.

- 3.6 In the event of any vacancy in the Board Audit Committee resulting in the non-compliance of the Listing Requirements, the vacancy shall be fulfilled within 3 months.
- 3.7 The Board Audit Committee members shall collectively:-
- (a) Have knowledge of the industries in which the Group operates; and
 - (b) Have the ability to understand key business and financial risks and related controls and control processes.
- 3.8 All members of the Board Audit Committee shall also be financially literate i.e. have the ability to read and understand fundamental financial statements, including a Company's balance sheet, income statement, statement of cash flow and key performance indicators.

4. Authority

- 4.1 The Board Audit Committee for the performance of its duties, shall in accordance with the same procedures adopted by the Board and at the cost of the Group:-
- (a) Have authority to investigate any activity within its Term of Reference;
 - (b) Have the resources which are required to perform its duties;
 - (c) Have full and unrestricted access to any employee and information pertaining to the Group. All documents of the Group shall be made accessible to the Audit Committee and all employees are directed to co-operate with the request made by the Board Audit Committee;
 - (d) Have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity for the Group; and
 - (e) Be able to engage independent professional advisers or other advisers and to secure attendance of other 3rd parties with relevant experience and expertise if it considers necessary.

5. Functions and Duties

The Board Audit Committee shall carry out the following functions and duties:-

5.1 Financial Statements

5.1.1 Review the quarterly results and annual financial statements of the Company and Group prior to the approval by the Board, focusing particularly on the following:-

- (a) any changes in or implementation of major accounting policy changes;
- (b) major judgemental areas, significant and unusual events;
- (c) significant adjustments resulting from audit;
- (d) the going concern assumption; and
- (e) compliance with accounting standards and other legal requirements.

5.1.2 Review, with the Group's Counsel, any legal matter that could have a significant impact on the Group's financial statements (as and when necessary).

5.2 Internal Control

5.2.1 Assess the quality and effectiveness of the systems of internal control and the efficiency of the Group's operations, particularly those relating to areas of significant risks. Evaluate the process the Group has in place for assessing and continuously improving internal controls.

5.2.2 Assess the internal process for determining and managing key risks other than those that are dealt with by other specific Board committees.

- 5.2.3 Review the evaluation by the internal and external auditors of the Group's system of internal control and thereafter report the same to the Board.
- 5.2.4 Review External Audit reports and Management's response and ensure that appropriate action is taken in respect of these reports and Audit Committee resolution.

5.3 Internal Audit

- 5.3.1 Approve the Internal Audit Charter and review the adequacy of the scope, functions, competency and resources of the internal audit function, and whether it has the necessary authority to carry out its work.
- 5.3.2 Review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function and of the Board Audit Committee and thereafter report the same to the Board. Where actions are not taken within an adequate timeframe by Management, the Board Audit Committee shall also report the same to the Board for its further action.
- 5.3.3 Approve any appointment or termination of senior staff members of the internal audit function namely the Chief Internal Auditor and his Deputy.
- 5.3.4 Review appraisals or assessments of performance of the Chief Internal Auditor and his Deputy.
- 5.3.5 Take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

- 5.3.6 Direct any special investigations to be carried out by Internal Audit as and when necessary and consider the major findings of the internal investigations and Management's response.

5.4 External Audit

- 5.4.1 Recommend the nomination of external auditors, their audit fees and any question of resignation or dismissal of external auditors and thereafter report the same to the Board.
- 5.4.2 Discuss with the external auditor before the audit commences, the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved and thereafter report the same to the Board.
- 5.4.3 Discuss problems and reservations arising from the internal and final audits, including assistance given by the employees and any matters the auditors may wish to discuss, in the absence of Management or Executive Directors where necessary.
- 5.4.4 Review the external auditor's management letter and Management's response.

5.5 Compliance

- 5.5.1 Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of Management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- 5.5.2 Review the findings of any examinations by regulatory authorities.

5.5.3 Obtain regular updates from Management and the Group's legal counsel regarding regulatory compliance matters.

5.5.4 Review and consider any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.

5.6 Other Responsibilities

5.6.1 Annually review and reassess, the adequacy of the Terms of Reference of the Board Audit Committee (if necessary), with the assistance of Management, the external auditors and Legal Counsel.

5.6.2 After the end of each financial year, verify that the allocation of employee share options to the Group's eligible employees is in accordance with the Listing Requirements.

5.6.3 Perform any other duties as may be directed by the Board from time to time.

6. Meetings

6.1 Meetings of the Board Audit Committee shall be held at least four (4) times during the financial year of the Company.

6.2 Upon the request of any member of the Board Audit Committee, the Chief Internal Auditor or the External Auditor, the Chairman of the Board Audit Committee shall convene a meeting of the Board Audit Committee to consider any matters brought up by them.

6.3 The quorum for a meeting of the Board Audit Committee shall comprise a majority of Independent Directors from amongst its members. In the absence

of the Chairman, the members present shall elect a chairman for the meeting from amongst the members present.

- 6.4 The meetings of the Board Audit Committee shall be governed by the provisions contained in the Memorandum and Articles of Association of PMB in regulating meetings and proceedings of Directors unless otherwise provided for in this Terms of Reference.
- 6.5 The meetings of the Board Audit Committee shall normally be attended by the Head of Finance, Head of Internal Audit and a representative of the External Auditors (as and when necessary) and the Management of PMB shall be represented by the Managing Director.
- 6.6 Other Directors and employees who attend any particular Board Audit Committee Meeting shall attend only at the Board Audit Committee's invitation, specific to the relevant Meeting and they shall not have any voting rights.
- 6.7 The Board Audit Committee shall meet the External Auditors without the presence of any Executive board members at least twice a year.
- 6.8 A Committee member shall excuse himself/herself from the meeting during discussion or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for the member. Where this cause insufficient directors to make up a quorum, the Board Audit Committee has the right to appoint another director(s) which meets the membership criteria.
- 6.9 Board Audit Committee meeting agendas shall be the responsibility of the Board Audit Committee Chairman with input from the Board Audit Committee members. The Chairman may also ask Management and others to participate in this process.

- 6.10 Unless a meeting is called on a short notice basis, the agenda for each meeting shall be circulated at least three (3) full working days before each meeting to the Board Audit Committee members and all those who are required to attend the meeting. Written materials including information requested by the Board Audit Committee from Management, internal auditors (from the Group) and external auditors shall be received together with the agenda for the meetings.
- 6.11 The Secretary of the Board Audit Committee shall be the Company Secretary of the Company or any other person as the Committee may decide.
- 6.12 Minutes of Board Audit Committee meetings shall be tabled at the meeting of the Board.

7. Miscellaneous

- 7.1 The Chairman of the Board Audit Committee should engage on a continuous basis with the Chairman of the Board, Chief Executive Officer, Head of Finance, Head of Internal Audit, Senior Management and/or the External Auditors in order to be kept informed of matters affecting the Group.
- 7.2 The Board Audit Committee, through its Chairman, shall report matters to the Board highlighted to the Board Audit Committee after each meeting.
- 7.3 Where the Board Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Board Audit Committee has the responsibility to promptly report such matter to Bursa Malaysia Securities Berhad.
- 7.4 The performance of the Board Audit Committee and each of the members shall be reviewed by the Board at least once every three (3) years to determine whether the Board Audit Committee and its members have

carried out their duties in accordance with their Terms of Reference in the Corporate Governance Statement.

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

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APPENDIX D

TERMS OF REFERENCE OF BOARD NOMINATION AND REMUNERATION COMMITTEE

1. Constitution

- 1.1 The Board Nomination and Remuneration Committee (“**BNRC**”) shall be formed by the Board of Directors of the Company (“**Board**”) and the Committee members shall be appointed by the Board from amongst the Board members.
- 1.2 The functions and authority of the BNRC extends to Pos Malaysia and all its subsidiaries as well as joint venture and associate companies where management responsibility is vested on Pos Malaysia or subsidiaries of Pos Malaysia (collectively referred to as the “**Group**”).

2. Objectives

- 2.1 The objectives for the formation of the BNRC are as follows:-
- (a) To review the Board composition and recommend to the Board appointment of new Directors of the Group and Board Committees.
 - (b) To evaluate the effectiveness of the Board, Board Committees and contributions of each individual Director.
 - (c) To review the Managing Director’s/Group Chief Executive Officer’s and Executive Director’s objectives and goals and the assessment of performance of these persons against those benchmarks.
 - (d) To review the performance evaluation of Chief Level Officers namely the Group Chief Operating Officer, Chief Operating Officers, Group Chief Corporate Services and Chief Financial Officer (“**Chief Level Officers**”).

- (e) To determine the level and composition of remuneration for the Managing Director/Group Chief Executive Officer, Executive Directors (if any) and Chief Level Officers so as to ensure that the Group attracts and retains the Managing Director/Group Chief Executive Officer, Executive Directors and Chief Level Officers of the appropriate calibre, experience and quality needed to run the Group successfully. The level and composition of the remuneration should be structured so as to link rewards with corporate and individual performance.
 - (f) To develop policies, practices and recommend proposals appropriate to facilitate the recruitment and retention of the Managing Director/Group Chief Executive Officer, Executive Directors (if any) and Chief Level Officers.
- 2.2 In carrying out the duties, members of the Committee shall have no interest direct or indirect with the outcome of the decision and having due regard to the interest of Shareholders and to the continuing financial and commercial health of the Group.

3. Authority

- 3.1 The BNRC has the authority to carry out the functions as stated in its Terms of Reference and report to the Board with recommendations.
- 3.2 The BNRC wherever necessary and reasonable for the performance of its duties, shall in accordance with the same procedures adopted by the Board and at the cost of the Group:-
 - (a) Have the resources which are required to perform its duties;
 - (b) Have full and unrestricted access to any employee and information pertaining to the Group; and
 - (c) Be able to engage independent professional advisers or other advisers and to secure attendance of outsiders with relevant experience and expertise if it considers this necessary.

4. Membership

- 4.1 The members of the BNRC shall be appointed by the Board of Directors of Pos Malaysia and shall consist of not less than three (3) members. If the membership for any reason fall below three members, the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to fulfil the minimum requirement.
- 4.2 The BNRC shall be composed of only Non-Executive Directors, a majority of whom shall be Independent Directors.
- 4.3 The appointment of a BNRC member terminates when the members ceases to be a director, or as determined by the Board.
- 4.4 In the event of equality of votes, the Chairman shall have a casting vote.

5. Functions & Duties

- 5.1 For Nominations, the BNRC shall:-
- (a) Propose to the Board suitable candidates for appointment as Directors, Managing Director/Group Chief Executive Officer and Executive Directors (if any) in Pos Malaysia and consider the following aspects when considering new appointments on the Board:-
- (i) The candidates' skills, knowledge, expertise, experience, professionalism and integrity; and
- (ii) In the case of candidates for the position of Independent Non-Executive Directors, the ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
- (b) Propose to the Board the membership and Chairmanship of Board Committees.

- (c) Review annually the Board structure, size, balance and composition to ensure that the Board comprises a majority of Non-Executive Directors and is in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad and has the appropriate mix of skills and experience. The Committee shall also review the core competencies which Non-executive Directors shall bring to the Board and other qualities to function effectively and efficiently.
- (d) Propose succession planning for the Managing Director/Group Chief Executive Officer, Executive Director (if any) and Chief Level Officers.
- (e) Recommend Directors who are retiring (by rotation) for re-election at the Company's Annual General Meeting(s).
- (f) Deliberate and recommend any termination of membership of any Director of the Company (if necessary) due to appropriate reasons in accordance with the relevant laws and regulations.
- (g) Ensure that all Board appointees undergo the necessary training programmes prescribed by the applicable statutory and regulatory bodies.
- (h) Provide for adequate training and orientation for new directors with respect to the business, structure and management of the Company as well as the expectations of the Board with regards to their contribution to the Board and Group.
- (i) Assess annually the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director, including Independent Non-Executive Directors, as well as the Managing Director/Group Chief Executive Officer and Executive Director (if any) and the Committee shall ensure that all assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented.

5.2 For Remuneration, the BNRC shall:-

- (a) Establish and recommend to the Board the remuneration framework, structure and policy of the Managing Director/Group Chief Executive Officer, Executive Directors (if any) and Chief Level Officers as well as to review any changes to the same as and when necessary. The Committee may obtain independent professional advice and any other information necessary in determining the framework. This would include establishing a formal and transparent procedure in developing a policy on the remuneration and benefits of the Managing Director/Group Chief Executive Officer, Executive Director (if any) and Chief Level Officers.
- (b) Recommend to the Board, the terms of employment of the Managing Director/Group Chief Executive Officer and the Executive Directors (if any).
- (c) Recommend to the Board proposal on the Managing Director/Group Chief Executive Officer's and Executive Director's (if any) remuneration and benefit including pension, share option and compensation payment (if any).
- (d) Recommend to the Board performance contracts and key performance indicators (KPI) for the Managing Director/Group Chief Executive Officer and the Executive Director (if any) and to assess the Managing Director's and Executive Director's performance against these KPIs.
- (e) Deliberate and recommend to the Board compensation commitments/severance payments for the Managing Director/Group Chief Executive Officer or Executive Director (if any) or any of the Chief Level Officers in the event of termination of the employment/ service contracts (if necessary) by the Company and/or the Group.

- (f) Recommend to the Board the remuneration package and terms of employment of the Chief Level Officers.
- (g) Recommend to the Board key performance indicators (KPIs) for the Chief Level Officers and the Chief Level Officers' performance against these KPIs.
- (h) Recommend to the Board, bonus payment for the Managing Director/Group Chief Executive Officer, Executive Directors (if any) and Chief Level Officers which should be made based on their respective performance relative to the KPI set.
- (i) Consider other matters as may be referred to the Committee by the Board.
- (j) To deliberate and thereafter recommend to the Board of Directors for endorsement, the proposed appointment of Directors at Pos Malaysia's active and operating subsidiaries, associate companies and investee companies together with their remuneration packages except in the case where the proposed appointed Directors are employees of Pos Malaysia Group.
- (k) To endorse the proposed appointment of Directors at Pos Malaysia's active and operating wholly owned subsidiaries in the case where the proposed appointed Directors are employees of Pos Malaysia Group and for the Board of Directors to thereafter be informed of the proposed appointment.

6. Meetings

- 6.1 Meetings of the BNRC shall be held not less than twice in a financial year of the Company. The Managing Director/Group Chief Executive Officer shall always be invited to attend meetings of the BNRC save for meeting(s)

convened to deliberate matters pertaining to the Managing Director/Group Chief Executive Officer.

- 6.2 Upon the request of any member of the BNRC, the Chairman of the BNRC shall convene a special meeting of the BNRC to consider any matter brought up by the Member.
- 6.3 The quorum for a meeting of the BNRC shall be two (2) members. In the absence of the Chairman, the members present shall elect a chairman for the meeting from amongst the members present.
- 6.4 The meetings of the BNRC shall be governed by the provisions contained in the Memorandum and Articles of Association of Pos Malaysia for regulating the meetings and proceedings of the Directors unless otherwise provided for in this Terms of Reference.
- 6.5 The Committee may request other Directors, members of Management, counsels and consultants as applicable to participate in Committee meetings, as and when necessary.
- 6.6 A committee member shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to a situation of an actual or perceived conflict of interest for the member. Where this cause insufficient directors to make up a quorum, the BNRC has the right to appoint another Director, which meets the membership criteria.
- 6.7 The Secretary of the BNRC shall be the Company Secretary of the Company or any other person as the Committee may decide.
- 6.8 The BNRC meeting agendas shall be the responsibility of the BNRC Chairman with input from the BNRC Committee members. The Chairman may also ask Management and others to participate in this process.

- 6.9 Unless a meeting is called on a short notice basis, the agenda for each meeting shall be circulated at least five (5) full working days before each meeting to the BNRC members and all those who are required to attend the meeting. Written materials including information requested by the BNRC from Management shall be received together with the agenda for the meetings.
- 6.10 Minutes of the BNRC meetings shall be tabled at the meeting of the Board. When presenting any recommendation to the Board, the BNRC will provide such background and supporting information as may be necessary for the Board to make an informed decision.
- 6.11 The BNRC shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the BNRC. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes of the BNRC meeting shall be available to all Board members.
- 6.12 The BNRC, through its Chairman, shall report matters to the Board highlighted to the BNRC after each meeting.

7. Miscellaneous

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

amended, modified or varied Listing Requirements, statutes, regulations and guidelines.

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APPENDIX E

TERMS OF REFERENCE OF BOARD ICT COMMITTEE

1. CONSTITUTION

- 1.1 The Board ICT Committee shall be formed by the Board of Directors of the Company (“**Board**”) and the Committee members shall be appointed by the Board from amongst the Board members.
- 1.2 The functions and authority of the Board ICT Committee extends to Pos Malaysia and all its subsidiaries as well as joint venture and associate companies where management responsibility is vested on Pos Malaysia or subsidiaries of Pos Malaysia (collectively referred to as the “**Group**”).

2. OBJECTIVE

The primary objective of Board ICT Committee is to review, deliberate and thereafter recommend to the Board for approval proposals made by Management on the Group’s flagship ICT related projects.

3. AUTHORITY

- 3.1 The Board ICT Committee has the authority to carry out the functions as stated in its Terms of Reference and report to the Board with recommendations.
- 3.2 The Board ICT Committee shall have the authority to award ICT related contracts/purchases and on other related matters within the limits of authority granted to it as set out in the Company’s Limits of Authority.
- 3.3 In the event the authority limits of the Board ICT Committee under the Company’s Limits of Authority are amended, modified or varied by the Board of Directors of the Company from time to time, such amendments,

modifications or variations shall be deemed to be inserted herein whereupon this Terms of Reference shall be read and be construed subject to and in accordance with the said approved amendments, modifications or variations.

- 3.4 The Board ICT Committee wherever necessary and reasonable for the performance of its duties, shall in accordance with the same procedures adopted by the Board:-
- (a) Have full and unrestricted access to any employee and information pertaining to the Group; and
 - (b) Be able to engage independent professional advisers or other advisers and to secure attendance of outsiders with relevant experience and expertise if it considers this necessary.

4. MEMBERSHIP

- 4.1 The members of the Board ICT Committee shall be appointed by the Board of Directors of Pos Malaysia and shall consist of not less than three (3) members. If the membership for any reason fall below three members, the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to fulfil the minimum requirement.
- 4.2 The appointment of a Board ICT Committee member terminates when the members ceases to be a director, or as determined by the Board.
- 4.3 In the event of equality of votes, the Chairman shall have a casting vote.

5. FUNCTIONS AND DUTIES

- 5.1 The Board ICT Committee shall :-
- (i) Review, deliberate and thereafter recommend to the Board of Directors for approval proposals made by Management on the Group's flagship ICT related projects;

- (ii) Review and assess the business case of the Group's flagship ICT projects and its costing to ensure that decisions are properly made on ICT related investments and projects;
- (iii) Deliberate on Management's ICT strategic and operational plans to ensure its alignment with the Group's Corporate Strategy and direction;
- (iv) Review on an annual basis key emerging ICT trends and alert the Board on the same including potential significant changes to the trend;
- (v) Deliberate on significant ICT issues affecting delivery of the Group's flagship projects and thereafter make the necessary recommendations to the Board on action plans to address and mitigate the same;
- (vi) Deliberate on Management's plans in establishing good communication lines between the business units and the ICT division that will assist to develop a mechanism for the ICT division to support the goals of each business units; and
- (vii) Deliberate on all ICT related risks and the necessary risk assessment and risk mitigation plan proposed by Management.

6. MEETINGS

- 6.1 Meetings of the Board ICT Committee shall be held not less than twice in a financial year of the Company. The Group Chief Executive Officer shall always be invited to attend meetings of the Board ICT Committee.
- 6.2 Upon the request of any member of the Board ICT Committee, the Chairman of the Board ICT Committee shall convene a special meeting of the Board ICT Committee to consider any matter brought up by the Member.

- 6.3 The quorum for a meeting of the Board ICT Committee shall be two (2) members. In the absence of the Chairman, the members present shall elect a chairman for the meeting from amongst the members present.
- 6.4 The meetings of the Board ICT Committee shall be governed by the provisions contained in the Memorandum and Articles of Association of Pos Malaysia for regulating the meetings and proceedings of the Directors unless otherwise provided for in this Terms of Reference.
- 6.5 The Board ICT Committee may request other Directors, members of Management, counsels and consultants as applicable to participate in Committee meetings, as and when necessary.
- 6.6 A committee member shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to a situation of an actual or perceived conflict of interest for the member. Where this cause insufficient directors to make up a quorum, the Board ICT Committee has the right to appoint another Director, which meets the membership criteria.
- 6.7 The Secretary of the Board ICT Committee shall be the Company Secretary of the Company or any other person as the Committee may decide.
- 6.8 The Board ICT Committee meeting agendas shall be the responsibility of the Board ICT Committee Chairman with input from the Board ICT Committee members. The Chairman may also ask Management and others to participate in this process.
- 6.9 Unless a meeting is called on a short notice basis, the agenda for each meeting shall be circulated at least five (5) calendar days before each meeting to the Board ICT Committee members and all those who are required to attend the meeting. Written materials including information requested by the

Board ICT Committee from Management shall be received together with the agenda for the meetings.

- 6.10 Minutes of the Board ICT Committee meetings shall be tabled at the meeting of the Board. When presenting any recommendation to the Board, the Board ICT Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.
- 6.11 The Board ICT Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Board ICT Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes of the Board ICT Committee meeting shall be available to all Board members.
- 6.12 The Board ICT Committee, through its Chairman, shall report matters to the Board highlighted to the Board ICT Committee after each meeting.

7. DISSOLUTION

The Board ICT Committee shall be dissolved upon recommendation and decision of the Board.

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APPENDIX F

TERMS OF REFERENCE OF BOARD TENDER COMMITTEE

I. OBJECTIVE

1.1 The principle functions and duties of the Board Tender Committee of Pos Malaysia Berhad (“**the Company**” or “**Pos Malaysia**”) (“**the Committee**”) are as follows:-

- (a) Examine and where appropriate, approve award of contracts for supply of goods, works or services within limits authorised in the Limits of Authority (“**LOA**”).
- (b) Review selection for the appointment of successful tenderer for both closed and open tender applications.
- (c) Examine and where appropriate, authorise the variation of tender procedures for the tender committee.

2. COMPOSITION OF THE COMMITTEE

2.1 Members

The Committee members shall be appointed by the Board of Directors of the Company upon recommendation of the Board Nomination & Remuneration Committee, and shall consist of not less than three (3) members.

2.2. Chairman

The Chairman of the Committee shall be elected from among their members.

2.3 Secretary

The Secretary of the Committee shall be the Company Secretary of the Company.

3. AUTHORITY LIMITS OF THE COMMITTEE

3.1 The approval limits of the Committee, as set out in the LOA of the Company are as follows :-

- (i) Approve purchase and award of contracts (Fixed assets, stocks and inventories) for an amount above RMI million up to RM10 million; and
- (ii) Approve award of tender for an amount above RMI million up to RM10 million.

3.2 In the event the approval limits of the Committee under the LOA are amended, modified or varied by the Board of Directors of the Company, such amendments, modifications or variations shall be deemed inserted herein whereupon this Terms of Reference shall be read and be construed subject to and in accordance with the said approved amendments, modifications or variations.

4. QUORUM AND MEETINGS

4.1 The required quorum for any meeting of the Committee shall be three (3) members.

4.2 The Committee should meet regularly, with due notices of issues to be discussed and should record its conclusions in discharging its duties and responsibilities.

5. SCOPE OF RESPONSIBILITIES

5.1 The Committee shall determine its own procedure.

- 5.2 The Committee shall cause minutes to be kept of the proceedings of every meeting and such minutes shall be transmitted to the Board soon after the meeting at which they are confined.
- 5.3 The Committee shall appoint sub-committees for technical and commercial evaluations, if necessary.
- 5.4 The Committee may invite any person, whose presence is in its opinion desirable to attend and participate in the deliberations of the meetings of the committee, but such person shall have no vote.
- 5.5 The Committee shall approve qualified tenderers or any tender & quotation subject to requirements as, in its opinion, it is most advantageous of the Company, although such tender may not be the lowest received, provided that if a tender other than the lowest be accepted, the reasons for accepting such tender, shall be recorded in the minutes.
- 5.6 The Committee shall not be bound to accept any tender or quotation and when it considers it advisable, may call fresh tenders or quotations.
- 5.7 The Committee has the right to refuse release of any details of any tenderer, tender or quotation where confidentiality is a condition of the tender or, where it is deemed not to be in the Company's interests.
- 5.8 The Committee shall review and approve the Company's procurement policies and procedures including general evaluation criteria, anti-corruption policy and codes of conduct and thereafter recommend the said procurement policies and procedures to the Board for approval.
- 5.9 The Committee shall oversee and monitor the overall implementation of the Red Book issued by the Putrajaya Committee on GLC High Performance, the Company's Procurement Policy Guidelines and review the efficiency and effectiveness of the Company's procurement processes.

5.10 The Committee shall review the Committee's Terms of Reference at least once every two (2) years.

6. ACCESS TO ADVICE

6.1 The Committee is entitled to the services of any external consultants and/or advisers to assist the Committee in the course of its objective at the Company's expense, if necessary.

7. DISSOLUTION

7.1 The Committee shall be dissolved upon the recommendation of the Board.

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APPENDIX G

TERMS OF REFERENCE OF BOARD RISK MANAGEMENT AND COMPLIANCE COMMITTEE

I. CONSTITUTION

- 1.1 The Board Risk Management and Compliance Committee (“**BRMC Committee**” or “**the Committee**”) shall be formed by the Board of Directors of the Company (“**Board**”) and the BRMC Committee members shall be appointed by the Board from amongst the Board members.
- 1.2 The functions and authority of the BRMC Committee extends to Pos Malaysia and all its subsidiaries as well as joint venture and associate companies where management responsibility is vested on Pos Malaysia or subsidiaries of Pos Malaysia (collectively referred to as the “**Group**”).

2. OBJECTIVE

- 2.1 The BRMC Committee is assisted by the Risk Management Committee (“**RMC**”) established at management level. The RMC is responsible for formulating the risk management policy, monitoring its implementation, ensure principle risks are identified with appropriate controls put in place and periodical risk reports are submitted to the BRMC Committee. Compliance matters of the Group are also monitored by the RMC as one of the risk areas.
- 2.2 The primary objective of BRMC Committee is to review and deliberate on the Group risks (whether financial and non-financial) which are identified and assessed by the RMC. The BRMC Committee shall thereafter report and make the necessary recommendations to the Board to mitigate the risks identified including risks relating to non-compliance of laws, rules, regulations, policies, processes and procedures.

3. AUTHORITY

- 3.1 The BRMC Committee has the authority to carry out the functions as stated in its Terms of Reference and report to the Board with recommendations.
- 3.2 The BRMC Committee shall have the authority to provide objective and independent views on any specific risks and also on the overall effectiveness of the risk management framework of the Group.
- 3.3 The BRMC Committee wherever necessary and reasonable for the performance of its duties, shall in accordance with the same procedures adopted by the Board:-
- (a) Have full and unrestricted access to any employee and information pertaining to the Group;
 - (b) Have full support of the Risk Management Department, Corporate Compliance Department, and any other units/departments within the Group as it may deem necessary; and
 - (c) Be able to engage independent professional advisers or other advisers and to secure attendance of outsiders with relevant experience and expertise if it considers this necessary.

4. MEMBERSHIP

- 4.1 The members of the BRMC Committee shall be appointed by the Board of Directors of Pos Malaysia and shall consist of not less than three (3) members, a majority of whom shall be Independent Non-Executive Directors.
- 4.2 The Chairman of the Committee shall be an Independent Non-Executive Director.

- 4.3 If the membership for any reason falls below three (3) members, the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to fulfil the minimum requirement.
- 4.4 The appointment of a BRMC Committee member terminates when the member ceases to be a Director, or as determined by the Board.

5. FUNCTIONS AND DUTIES

5.1 The BRMC Committee shall:-

- (i) Provide oversight, guidance and direction to the Group's risk management function and processes;
- (ii) Recommend the Group's risk management policies, strategies and risk tolerance levels, and any proposed changes thereto for the Board's consideration and approval;
- (iii) Ensure that Management integrates the necessary risk management processes into all business processes of the Group;
- (iv) Evaluate the effectiveness of the Enterprise Risk Management framework, risk management processes and support system to identify, assess, monitor and manage the Group's key risks;
- (v) Review the risk identification and management process developed by Management to confirm it is consistent with the Group's strategy and business plan;
- (vi) Review Management's assessment of risk on a quarterly basis and provide quarterly updates to the Board;

- (vii) Enquire Management and the independent auditor about the exposure to such risks in relation to significant business, political, financial and control risks;
- (viii) Assess the steps/actions Management has implemented or wish to implement to manage and mitigate identifiable risk, including the use of hedging and insurance;
- (ix) Deliberate on compliance related matters of the Group and review the effectiveness of systems for monitoring compliance with laws and regulations;
- (x) Review findings, material issues or non-compliances highlighted by the regulatory authorities in relation to the regulated businesses of the Group;
- (xi) Deliberate, review and evaluate the existing compliance framework and to recommend measures for improvement by adopting the best practices; and
- (xii) Perform any other roles and responsibilities as may be required by the Board from time to time and/or which are related to the objectives of the Committee.

6. MEETINGS AND PROCEDURES

- 6.1 Meetings of the BRMC Committee shall be held at least once in every Quarter in a financial year of the Company.
- 6.2 Upon the request of any member of the BRMC Committee, the Chairman of the BRMC Committee shall convene a special meeting of the BRMC Committee to consider any matter brought up by the member.
- 6.3 The quorum for a meeting of the BRMC Committee shall be two (2) members, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other. In the absence of the Chairman, the members present shall elect an Independent Non-Executive Director from amongst the members present to be chairman of the meeting.

- 6.4 The meetings of the BRMC Committee shall be governed by the provisions as contained in the Memorandum and Articles of Association of Pos Malaysia for regulating the meetings and proceedings of the Directors unless otherwise provided for in this Terms of Reference.
- 6.5 Any matter to be voted upon shall be decided by a majority of the votes cast on the question. In the case of an equality of votes, the Chairman of the BRMC Committee shall have a casting vote.
- 6.6 The BRMC Committee may request other Directors, members of Management, counsels and consultants as applicable to participate in Committee meetings, as and when necessary.
- 6.7 The meetings of the BRMC Committee shall be attended by the Group Chief Executive Officer, and the respective Heads of Risk Management and Corporate Compliance Departments.
- 6.8 The Secretary of the BRMC Committee shall be the Company Secretary of the Company or any other person as the Committee may decide.
- 6.9 The BRMC Committee meeting agendas shall be the responsibility of the BRMC Committee Chairman with input from the BRMC Committee members. The Chairman may also ask Management and others to participate in this process.
- 6.10 Unless a meeting is called on a short notice basis, the agenda for each meeting shall be circulated at least five (5) calendar days before each meeting to the BRMC Committee members and all those who are required to attend the meeting.
- 6.11 Minutes of the BRMC Committee meetings shall be tabled at the meeting of the Board.

6.12 The BRMC Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the BRMC Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held, or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes of the BRMC Committee meeting shall be available to all Board members.

6.13 The BRMC Committee, through its Chairman, shall report matters that are deliberated at BRMC Committee meeting(s) and make the necessary recommendations (if necessary) to the Board for the Board's deliberation and decision.

7. DISSOLUTION

The BRMC Committee shall be dissolved upon recommendation and decision of the Board.

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