



FRASER & NEAVE HOLDINGS BHD

**Terms of Reference of
Share Buy-Back Committee**

Objective

The core objective of the Committee is to assist the Board in implementing the share buy-back scheme in the best interest of the Company and in accordance with the laws, rules and regulations as may be imposed by the regulatory authorities.

Composition

The Share Buy-Back Committee shall comprise at least three (3) directors, the majority of whom are non-executive, including the chairman.

Duties

The duties of the Committee shall be as follows:

1. To consider and recommend to the Board, the quantum and price range in which to carry out the share buy-back including the following:
 - a) that the price is not more than 15% above the weighted average market price for five (5) market days immediately before the purchase;
 - b) the aggregate of the shares purchased or held do not exceed 10% of the Company's total number of issued shares;
 - c) the purchase is made wholly out of retained profits of the Company;
 - d) the purchase will not contravene Part V of the Capital Markets and Services Act 2007 in particular the provisions on false trading and market rigging transaction, stock market manipulations, fraudulently inducing persons to deal in securities and insider trading; and
 - e) the share buy-back will not result in a breach of the shareholding spread requirement.
2. To implement the decision of the Board in respect of the quantum and price range on the share buy-back thereof.
3. To report to the Board on the share buy-back transactions on a regular basis.
4. To appoint and review the appointment of the licensed stockbrokers through whom the share buy-back is transacted.
5. To review the solvency of the Company prior to the making of the solvency statement.
6. To review the contents of the share buy-back statement to be sent to shareholders in relation to the renewal of the share buy-back mandate and the information to be included in the annual report.

Authority

The Committee is authorised to:

1. seek any information it requires from any employee in order to perform its duties and have access to all relevant records;
2. invite any employee or other individual to attend a meeting of the Committee; and
3. seek outside professional advice to carry out its duties and to invite their attendance at the Committee meeting, if necessary.

Secretary

The secretary of the Company shall be the secretary of the Committee. The secretary shall in his/her absence, nominate a minute secretary to record the proceedings of the meeting of the Committee.

Meeting and Minutes

1. The Committee shall meet as frequently as required. Its quorum shall be two (2) members.
2. The chairman of the Committee will in consultation with the other members of the Committee be responsible for calling meetings of the Committee, establishing the agenda and supervising the conduct thereof.
3. Notice of meeting and relevant supporting information shall be distributed to the Committee members at least seven (7) days prior to the scheduled meeting, except under special circumstances whereby a special meeting of the Committee is called on by the Chairman of the Committee.
4. If at any meeting, the Chairman of the Committee is not present within fifteen (15) minutes after the time appointed for holding the meeting, the members present may choose one of their numbers who is a non-executive director to be the chairman of the meeting.
5. Attendance at a meeting may be in person or by way of participation via video conference or teleconference or such other means as may be agreed by the Committee.
6. The chairman of the Committee shall report to the Board on its proceedings after each Committee meeting.
7. The minutes of meeting shall be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next meeting. The minutes shall be circulated to all members of the Committee and the Board.
8. The secretary shall keep the minutes of the Committee meetings at the Company's registered office. The minutes shall be open for inspection by any member of the Committee and the Board.
9. A resolution in writing signed by all members of the Committee for the time being entitled to receive notice of a meeting of the Committee, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents (or facsimiles thereof) in like form, each signed by one or more members of the Committee. For purpose of this paragraph, "in writing" and "signed" include approval by facsimile and email.

Decision Making

Decision on any matter within the purview of the Committee shall be made on a majority basis.

Annual Review of Terms of Reference

The Committee shall with the assistance of management review the adequacy of the Terms of Reference in the light of new best practices and new legal or regulatory requirements, at least annually and recommend proposed changes to the Board.

(End of Terms of Reference)