



AVICENNIA
CAPITAL

LONG TERM INCENTIVE PLAN COMMITTEE TERMS OF REFERENCE

Effective on 06/06/2017

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1.0 INTRODUCTION

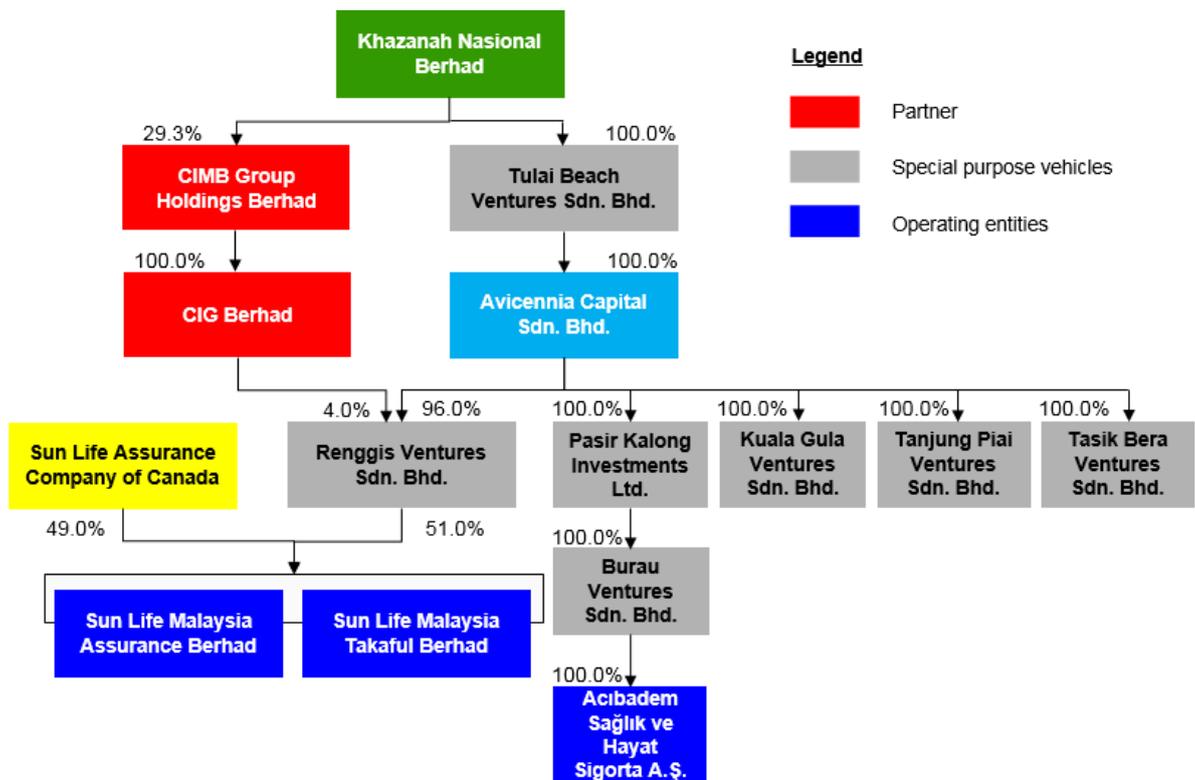
- 1.1 This Long Term Incentive Plan Committee's ("LTIP") Terms of Reference ("TOR") sets out the requirements of the Board of Directors ("Board") of Avicennia Capital Sdn Bhd ("Avicennia") towards the establishment of a Long Term Incentive Plan Committee ("Committee"), and the delegation of responsibilities to such a Committee, as at the date hereof.
- 1.2 The purpose of the Committee, is to assist the Board in fulfilling its roles and responsibilities in regards to implementation and administration of the Long Term Incentive Plan ("Plan") of Avicennia.
- 1.3 The existence of the Committee does not diminish the Board's ultimate statutory and fiduciary responsibility for decision-making relating to the functions and duties of the Committee.
- 1.4 These provisions are complementary to the By-Laws and any reference to a statutory provision or an applicable law shall include a reference to:
- (i) any statute and shall include all subsidiary legislation made from time to time under that provision or law;
 - (ii) any and all Listing Requirements, policies, guidelines, practice notes and/or directions of Bursa Securities and/or the Securities Commission Malaysia ("SC") (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed by Bursa Securities and/or the SC);
 - (iii) that provision as from time to time modified or re-enacted, whether before or after the date of these By-Laws, so far as such modification or re-enactment applies or is capable of applying to any Grant made and/or granted within the LTIP Period; and
 - (iv) any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced.
- 1.5 This TOR has been endorsed by the Board and will be reviewed periodically by the Board, to ensure that Avicennia remains at the forefront of best practices in corporate governance.
- 1.6 This TOR must be read together with the LTIP By-Laws. Unless otherwise defined in this TOR, words and expressions used in this TOR shall have the meanings set out in the LTIP By-Laws.



2.0 BACKGROUND

2.1 Avicennia, a wholly owned subsidiary of Khazanah Nasional Berhad, was incorporated on 17 January 2013. Avicennia is principally an investment holding company specialising in acquiring, holding, and where appropriate or strategic, divesting of, financial institutions, in particular insurance and takaful companies, in Malaysia and other growth markets. At present, Avicennia holds two licensed entities in Malaysia, i.e. Sun Life Malaysia Assurance Berhad, a life insurance company and Sun Life Malaysia Takaful Berhad, a takaful operator. It also holds 100% equity interest in Acıbadem Sağlık ve Hayat Sigorta A.Ş., an insurance company in Turkey.

2.2 The group structure of Avicennia is set out below:



2.3 Avicennia has been approved by BNM to be a Financial Holding Company (“FHC”) with effect from 19 November 2014 under the FSA and the IFSA. As a FHC, Avicennia is subject to Part VII of the FSA and Part VIII of the IFSA. It is also made subject to the prudential requirements under Part V of the FSA and Part VI of the IFSA by order of the Minister.



3.0 LONG TERM INCENTIVE PLAN COMMITTEE

3.1 KEY RESPONSIBILITIES

- 3.1.1 Support the Board in carrying out its responsibility as prescribed in the LTIP By-Laws and the LTIP Committee shall implement and administer the Plan in such manner as it shall in its discretion deem fit and with such powers and duties as conferred upon by the Board.
- 3.1.2 The responsibilities and duties of the Committee are to exercise all the powers and undertake the duties and responsibilities stated in the LTIP By-Laws as being vested in the Committee and shall include, but not limited to, the following:
- (i) report its activities, including how it has discharged its responsibilities, to the Board on a regular basis and promptly provide to the Board copies of the minutes of the meetings of the Committee;
 - (ii) undertake other duties as requested by the Board from time to time;
 - (iii) arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changed it considers necessary to the board for approval;
 - (iv) subject to the provisions of the Plan, construe and interpret the Plan and grants granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the Plan and its administration. The LTIP Committee, in the exercise of this power may correct any defect, supply any omission, or reconcile any inconsistency in the Plan or in any agreement providing for an option(s) in a manner and to the extent it shall deem necessary to expedite and make the Plan fully effective;
 - (v) determine all questions of policy and expediency that may arise in the administration of the Plan; and
 - (vi) generally exercise such powers and do all acts and things and enter into any transactions, agreements, deeds, documents or arrangements, make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Plan, which the LTIP Committee may in its discretion consider to be necessary or desirable for giving full effect to the Plan.
- 3.1.3 Audit Committee shall independently verify and give assurance that the allocation of shares to the eligible employees under the LTIP at the end of the financial year are in compliance with the LTIP By-laws as disclosed to the eligible employees.
- 3.1.4 In discharging its duties, the Committee shall at all times be mindful of the provisions of all applicable laws, regulations and guidelines.
- 3.1.5 The Committee shall undertake any such other functions as may be determined by the Board from time to time.



3.2 ACCOUNTABILITY

- 3.2.1 The Committee shall be answerable to the Board and shall periodically report to the Board on the matters relating to the issues and developments relating to its objectives, roles and responsibilities within Avicennia and its financial group as set out in this TOR.
- 3.2.2 The Committee shall report to the Board on matters considered and its recommendations thereon, and copies of minutes of each meeting of the Committee supported by explanatory papers, shall be circulated to all Board members once endorsed by the Chairman of the Committee.
- 3.2.3 At the discretion of the Chairman of the Committee, any relevant matters deemed to be of major importance shall be referred to the Board for its attention.
- 3.2.4 The Board requires all Directors to submit a Disclosure of Interest to avoid any conflict between their personal interests and the interests of the Company. In the event of a conflict, either actual or potential, this Disclosure of Interest shall be submitted to the Chairman of the Committee with a copy to the Company Secretary.

3.3 COMPOSITION

- 3.3.1 The Committee membership shall comprise of the members of the Nominating and Remuneration Committee (“NRC”) as may be appointed from time to time by the Board and/or such other persons as may be determined by the NRC so appointed by the Board from time to time. The Committee shall comprise of not less than three (3) members with at least one (1) Independent Director. For avoidance of doubt, no Eligible Employee shall be a member of the Committee.
- 3.3.2 A member of the Committee may at any time resign his/her office by giving a written notice of at least thirty (30) days to the Board. The notice shall be sent to the Company Secretary for attention of the Board.
- 3.3.3 A Director shall cease to be a member of the Committee upon his/her resignation/termination as a Director of Avicennia or as determined by the Board from time to time.

3.4 AUTHORITY

- 3.4.1 The Board authorises the Committee, within the scope of its duties and responsibilities set out in this TOR and as prescribed by the By-Laws, to:
- (i) perform the activities required to discharge its responsibilities within its TOR and make relevant recommendations to the Board on matters such as eligibility, allocation, grants, termination and disciplinary matters;
 - (ii) investigate any activity or matter within its TOR;
 - (iii) have full and unrestricted access to information pertaining to the Company, their records, properties and personnel;
 - (iv) obtain relevant internal and external independent professional advice, as it deems necessary, to assist the Committee in the proper discharge of its roles and responsibilities, at the

*Recommendation 1.5
stated in the MCGG
2012 issued by the
Securities
Commission.*



- expense of the Company and in accordance to the authority delegated to the Committee; and
- (v) meet exclusively amongst itself, whenever deemed necessary.

3.4.2 The LTIP Committee shall exercise all the powers and undertake the duties and responsibilities as set out in the By-Laws and act in good faith and in the best interest of the Company.

3.5 CHAIRMAN OF THE COMMITTEE

3.5.1 The Chairman of the Committee must be an Independent Director.

*Recommendation 2.1
stated in the MCCG
2012 issued by the
Securities
Commission.*

3.5.2 In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present provided quorum is met.

3.6 SECRETARY OF THE COMMITTEE

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

3.6.2 The Secretary of the Committee shall be present to record proceedings of the Committee meetings.

3.6.3 The Secretary of the Committee shall have the following responsibilities:

- (i) ensuring the Committee meetings are arranged and held accordingly;
- (ii) assisting the Chairman of the Committee in planning the Committee's activities for the financial year;
- (iii) drawing up meeting agenda in consultation with the Chairman of the Committee, and circulating the agenda, together with the relevant papers, at least seven (7) days prior to each of the meeting;
- (iv) ensuring structured communication between the Board and the Committee;
- (v) ensuring proceedings of meetings are minuted and endorsed by the Chairman of the Committee before disseminating them to all Board members; and
- (vi) ensuring the Committee's recommendations presented to the Board are supported by explanatory papers, including report of the Committee or minutes that explains the rationale of the Committee's recommendations.

3.7 MEETING

3.7.1 Frequency and attendance

- (i) The Committee meetings shall be convened at least once a year. The Committee may call such additional meetings as the Chairman decides necessary for the Committee to fulfil its obligations.
- (ii) The Chairman of the Committee, in consultation with the Secretary of the Committee, shall determine the frequency of



- the Committee meeting and discuss the schedule of meetings with the members of the Committee.
- (iii) In addition to the regular scheduled meeting, the Chairman of the Committee may call for a meeting of the Committee if so requested by any member of the Committee or by the Chairman of the Board.
 - (iv) The meetings of the Committee shall be scheduled sufficiently in advance by the Secretary to enable optimum attendance.
 - (v) Resolutions of the members of the Committee at a meeting shall be adopted by a majority of votes of all members present. In the event matters requiring the Committee's decision arise between meetings, such matters shall be resolved through circular resolution. All such resolutions shall be submitted for confirmation at the meeting of the Committee following the passing of the circular resolutions.
 - (vi) The Committee meeting shall normally be conducted in a face-to-face manner. Nevertheless, if a member of the Committee is unable to be physically present, the member may choose to participate via video or tele-conferencing, or other appropriate means as determined by the Committee. Such member shall be treated as being present for the Meeting including for the purpose of constituting the quorum.
 - (vii) A resolution in writing, signed by all the members 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. Such resolution may consist of several documents in like form in any number of counterparts, each signed by one or more members of the Committee.
 - (viii) A Committee may determine for any particular reason or on a particular occasion that the decisions of the Committee would be by vote.
 - (ix) Any member of the Board of Directors or executives of the Company and/or any external consultants/advisors ("Invited Participants") may attend the meeting upon the invitation of the Committee.
 - (x) Any of the Committee members or Invited Participants with conflicting interest shall inform the Committee and where applicable shall abstain from voting or participate in any discussion on the conflicted issue/matter.
 - (xi) The Committee may act notwithstanding any vacancy in its membership and its proceedings and meetings where applicable shall not be invalidated by:
 - the absence of any member;
 - any defect afterwards discovered in the appointment or qualification of any member or the establishment of the Committee;
 - any omission, defect or irregularity in the convening or conduct of a meeting; or
 - the presence or participation of a person who is not a member of the Committee.

3.7.2 Quorum

In order to form a quorum for the Committee meeting, at least two (2) of the members of the Committee must be present at the Committee meeting with at least one (1) Independent Director.



3.7.3 Minutes of the meeting

- (i) Minutes of all meetings shall be recorded and prepared by the Secretary, approved in draft form by the Chairman and distributed to all members of the Committee within 14 days of the meeting taking place. Minutes of the Committee meetings will be confirmed at the next meeting and signed by the Chairman.
- (ii) Any advice given by any member, the deliberations and decisions of a meeting of the Committee including any dissenting views of members or any result of any vote under paragraph 3.7.1 (ix) shall be properly recorded in the minutes. The minutes of a meeting of the Committee shall be tabled at the next meeting of the Board immediately following that meeting of the Committee. The Chairman of the Committee shall also present the salient issues and decisions of the meeting at that Board meeting.
- (iii) The discussions and conclusion of the Committee meetings shall be minuted, in a clear, accurate, consistent, complete and timely manner.
- (iv) Reproduction of any part of the minutes can only be performed through/by the Company Secretary.

4.0 THE COMMITTEE'S PERFORMANCE

- 4.1 On an annual basis, the Board shall evaluate the Committee's performance and extent to which the Committee has met the requirements of its TOR. This performance assessment may constitute a part of the annual Board Evaluation Assessment, pertaining to the assessment of Board Committees.

Recommendation 2.2 stated in the MCGG 2012 issued by the Securities Commission and Paragraph 15.08A (3) (c) Main Market Listing Requirements of Bursa Malaysia.

5.0 APPLICATION

- 5.1 The principles set out in this TOR may be reviewed and updated in line with any applicable laws or any policies or guidelines issued by the relevant regulatory authorities from time to time
- 5.2 The Committee shall comply at all times with the principles and practices set out in this TOR.

6.0 REVISION OF THE TOR

- 6.1 Any revision or amendment to this TOR, as proposed by any member, or any third party, shall first be presented to the Committee and to the Board for its approval.
- 6.2 Upon the Board's approval, the said revision or amendment shall form part of this TOR and this TOR shall be considered duly revised or amended.



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