SBM HOLDINGS LTD

STRATEGY & BUSINESS REVIEW COMMITTEE – TERMS OF REFERENCE

The Committee shall discharge its responsibilities under seven key oversight pillars:

1.1 Strategic Direction and Planning

1.1.1 The Committee shall oversee the formulation and periodic review of the Group's strategic direction to ensure alignment with the Group's long-term objectives and evolving market conditions.

1.1.2 The Committee shall:

- Review and provide recommendations to the Board regarding the Group's strategic philosophy and the alignment of the Group's Mission, Vision and Values with its long-term strategy.
- Review the Group's strategic plan, priorities and choices in light of evolving market conditions prior to submission to the Board for approval.
- Challenge the strategic assumptions underlying the Group's business plans, including market outlook, competitive dynamics and regulatory developments.
- Evaluate the strategic positioning and competitiveness of the Group and its subsidiaries.
- Assess the alignment between the Group's strategy, capital plans and financial objectives.
- Consider the alignment of strategy with the Group's Risk Appetite Framework, capital adequacy requirements, stress testing outcomes and resilience considerations.

1.2 Strategic Execution and Performance Monitoring

1.2.1 The Committee shall oversee the execution of the Group's strategy and the performance of the Group and its subsidiaries.

1.2.2 In particular, the Committee shall:

- Review a balanced scorecard of Group-wide strategic KPIs linked to long-term value creation including financial and non-financial metrics, as defined and agreed during the annual strategic planning cycle.
- Oversee whether the Group's strategic objectives and guiding principles are appropriately reflected in the strategies of its operating subsidiaries.
- Monitor the implementation and execution of approved key strategic initiatives, both at Group and entity-level, based on periodic and structured updates from the Group strategy function.
- Review progress against strategic milestones and pre-approved key performance indicators (KPIs) to monitor achievement of strategic objectives.
- Assess whether strategic initiatives are delivering expected outcomes, including financial returns and operational improvements.
- Review the performance of the Group and its operating entities against approved business plans and budgets on at least a quarterly basis.
- Evaluate significant variances in financial or operational performance, including underlying drivers of performance and/or underperformance.
- Identify areas where implementation and/or performance is lagging and which require strategic adjustments such as reprioritisation, acceleration or corrective management action.

1.2.3 The Committee shall focus on performance trends, structural drivers and forward-looking implications, rather than operational management of individual initiatives.

1.3 Subsidiary Business Reviews

1.3.1 The Committee shall conduct periodic reviews of the performance and strategic positioning of major subsidiaries.

1.3.2 Such reviews shall typically cover:

- financial performance against plan
- strategic progress and growth initiatives
- capital utilisation and investment returns
- emerging risks or operational challenges
- forward-looking business outlook.

1.3.3 Prior to Committee meetings, the Group CEO and the Group Management Team and any other person deemed appropriate to do so, shall conduct one-to-one review sessions with the CEO and the management team of each operating entity. The Minutes of Proceedings of these review sessions shall be prepared by the Group Performance Management Team and circulated to the Committee as part of the business review packs. The minutes shall be reviewed and cleared by the respective entity CEO and the Group CEO.

1.3.4 The Committee may request additional analysis or information from the Group Management Team to support its review.

1.3.5 Where appropriate, the Committee may meet subsidiary management teams to discuss significant strategic or performance matters.

The Committee shall ensure that subsidiaries operate within the approved Group strategic framework and that any material deviations, underperformance or strategic misalignments are appropriately escalated to the Board.

1.4 Capital Allocation and Strategic Transactions

1.4.1 The Committee shall review and make recommendations to the Board regarding major strategic transactions and capital allocation decisions, including:

- mergers, acquisitions and disposals;
- joint ventures and strategic partnerships/alliances;
- major capital expenditure programmes;
- entry into new markets or business lines;
- capital raising or capital restructuring proposals;
- capital injections in subsidiaries;
- material restructuring initiatives.

1.4.2 The Committee shall assess such proposals with regard to:

- strategic alignment;
- expected financial returns;
- capital implications; and
- associated risks.

1.5 Operating Model and Strategic Alignment

1.5.1 The Committee shall oversee the alignment between the Group's strategy and its operating model to ensure that the organisational structure and inter-entity collaboration support the effective execution of the Group's strategic objectives.

1.5.1.1 In carrying out this responsibility, the Committee shall:

- periodically review the Group's operating model (structure and interaction among Holding and its subsidiaries) to assess whether it enables effective collaboration, synergies and value creation across the Group.
- review opportunities for strategic synergies across the Group, including areas such as collaboration between subsidiaries, cross-selling opportunities, shared capabilities, and economies of scale.
- review significant proposals relating to the evolution or transformation of the Group's operating model, including initiatives aimed at improving efficiency, enhancing customer value propositions, or strengthening strategic capabilities.
- provide recommendations to the Board regarding major changes to the Group's operating model that may arise from strategic transformation initiatives.
- consider whether the Group's leadership capacity, talent pipeline and critical capabilities are adequate to support delivery of the Group's strategic priorities.

1.5.2 Recognising tech as an enabler that is now inseparable from strategy in financial services, the Committee shall:

- oversee whether the Group's technology strategy, transformation programmes and digital capabilities remain aligned with the Group's strategic objectives and business priorities.
- review major technology investment priorities, implementation progress and value realisation from strategic technology initiatives.
- receive assurance that material technology, cyber resilience and digital risks arising from strategic initiatives are appropriately considered in coordination with the Risk Management Committee.

1.6 Operating Environment and Market Developments

1.6.1 The Committee shall monitor developments in the economic, regulatory and competitive landscape relevant to the Group's operations.

1.6.2 The Committee shall:

- review key industry trends and structural shifts affecting the Group;
- assess the implications of macroeconomic developments on the Group's strategy and performance; and
- consider changes in customer behaviour, technology or competitive dynamics which may affect the Group's strategic positioning.

1.6.3 The Committee shall review how sustainability considerations, climate-related developments and responsible business priorities are embedded into the Group's strategy, business model and long-term value creation agenda.

1.6.4 The Group Chief Strategy Officer shall periodically provide the Committee with updates on market trends, technological developments, customer behaviour and competitive dynamics relevant to the Group's strategic positioning.

1.7 Stakeholder and Market Positioning

1.7.1 The Committee shall periodically review matters relating to the Group's market positioning and stakeholder engagement, including:

- investor relations initiatives;
- market perception and strategic communication; and
- initiatives aimed at strengthening the Group's stock market profile, reputation and brand positioning.

1.7.2 The Committee shall also take note of the Group Communications Forum report on a quarterly basis and provide necessary guidance/ recommendations where appropriate.

1.8 Other Strategic Matters

1.8.1 The Committee may:

- Review and discuss significant matters of strategic nature, as escalated by the Group Executive Office and/or Group Executive Committee, including issues and challenges raised, in the first place, by the Group Functional Forums.
- Review and make recommendations to the Board of SBMH on any other matter of strategic or business importance affecting the Group.