



PIMPINAN EHSAN BERHAD
(201601021838) (1192777-W)
(Incorporated in Malaysia)

TERMS OF REFERENCE OF SUSTAINABILITY COMMITTEE

1. Objective

The primary objective of the Sustainability Committee is to provide leadership, coordination and guidance to the Board for the integration of sustainability principles and practices throughout the Company's core activities.

2. Duties and Responsibilities

The duties and responsibilities of the Sustainability Committee are as follows;

- (a) To oversee and review the Company's corporate governance, economic, environmental and social policies;
- (b) To oversee the identification of the material sustainability matters' indicator and establishment of the target and the review of sustainability disclosures as required by laws and/ or rules, and recommending it for the Board's approval;
- (c) To undertake and report on an annual basis on Environment, Social and Governance ('ESG') Materiality assessment to identify ESG-relevant issues and opportunity of the Company;
- (d) To ensure the Company maintains a robust interaction with its stakeholders and adopts best practice disclosures in the Company's Annual Report and on the corporate website;
- (e) To review and make recommendations to the Board in relation to the development of sustainability-related commitments, policies and strategies, including establishment of Company-wide performance targets;
- (f) To conduct periodical review of the adequacy and effectiveness of the Company's sustainability governance structure and process to identify, assess and manage sustainability matters and reporting the review results and recommendations to the Board for decision;

- (g) To oversee the overall management of stakeholder engagement;
- (h) To ensure the required actions to effect the Company's sustainability strategy are appropriately resourced by the Management;
- (i) To ensure the Company is informed of new developments and trends regarding sustainability that are applicable to it and that it is meeting new regulatory requirements and maintaining the highest of standards;
- (j) To advise the Board on the Company's risk appetite, tolerance and strategy with respect to sustainable development risks as the company develops.

3. Composition

The Sustainability Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members.

The term of office and performance of the Sustainability Committee and each of its members shall be reviewed by the Nomination Committee annually to determine whether the Sustainability Committee have carried out their duties in accordance with its Terms of Reference.

4. Chair of Sustainability Committee

The Chair of the Sustainability Committee shall be elected from amongst the Sustainability Committee members. The Chair of the Committee shall be approved by the Board of Directors.

5. Secretary

The Secretary of the Sustainability Committee shall be the Company Secretary. The Secretary is responsible to prepare the minutes of the Sustainability Committee meetings and circulate the minutes of the Sustainability Committee meetings promptly to all members of the Sustainability Committee and table the same to the Board for notation. The minutes of the Sustainability Committee meetings shall be kept at the registered office of the Company and shall be open for inspection by the Board.

6. Meetings

The Sustainability Committee shall meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least twice a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

The quorum for any meeting of the Sustainability Committee shall be two (2) of the members of the Sustainability Committee.

The members of Sustainability Committee may participate in a meeting from separate locations by means of conference telephone or other communication equipment which allows those participating to hear each other, and shall be entitled to vote or be counted in the quorum accordingly.

The Sustainability Committee shall reach decisions by a simple majority of those voting on the issue in question. If the numbers of votes for and against a certain proposal are equal, the Sustainability Committee Chair shall have a casting vote.

A resolution in writing signed or approved by letter, telefax or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as " Sustainability Committee's Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one or more directors.

7. Revision and Approval

This Terms of Reference will be reviewed and updated annually to ensure it remains consistent with the Nominating Committee's objectives and responsibilities.

This Terms of Reference is approved by Board of Directors on 28 April 2021.