



## MGB BERHAD

Registration No.: 200201021504 (589167-W)

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### SUSTAINABILITY COMMITTEE TERMS OF REFERENCE

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#### 1. OBJECTIVE

The main objective of the Sustainability Committee (“**Committee**”) is to assist the Board of Directors (“**Board**”) to oversee the management processes and strategies designed to manage the impacts of MGB Berhad (“**MGBB**”) and its group of companies (“**MGB Group**” or “**Group**”) operations on economic, environment and social.

#### 2. SCOPE

The Committee shall have oversight of the requirement for the Group to conduct its business in a responsible manner in relation to its impact to the environment, economic and social aspect. The duties of the Committee are to review the strategies, management processes, initiatives, target and performance of the Group in the following areas:-

- (i) Health and safety, including the security of assets and employees;
- (ii) Environment;
- (iii) Workplace policies, including ethnic and gender diversity;
- (iv) Sustainable development;
- (v) Responsible and ethical business practice; and
- (vi) Contribute to a better society within the community that the Group operates.

#### 3. COMPOSITION

- (a) The Committee members shall be appointed by the Board from amongst its number and shall consist of not less than three (3) members.
- (b) The members of the Committee shall elect a Chairman from amongst its number.
- (c) In the event of any vacancy resulting in the non-compliance of paragraph (a) above, the Board shall within three (3) months of that event, appoint such number of new members required to fulfil the minimum requirement.
- (d) All members of the Committee, including the Chairman, shall hold office only so long as they serve as Directors of the Group.
- (e) The Board shall review the term of office and performance of the Committee and each of its members annually.



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**4. AUTHORITY**

- (a) The Board has constituted the Committee with the authorities necessary to perform the duties set out in these Terms of Reference.
- (b) The Committee, within the scope of its assigned duties, is authorised to seek any information it requires from employees, company officials and external parties.
- (c) The Committee may engage advisers or otherwise obtain such independent legal or other professional services, as it requires, at the expense of the Company, with prior consent of the Board.
- (d) The Committee is authorised to call any employee to attend at a meeting of the Committee as and when required.

**5. SECRETARY**

The Company Secretary shall be the Secretary of the Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings to all Committee members and any other persons by the Committee's invitation, no later than seven (7) days before the date of the meeting together with the supporting explanatory documents.

**6. QUORUM**

- (a) A quorum of the Committee shall comprise any two (2) Committee members.
- (b) Member of the Committee may attend the meeting in person or participate by other means, including tele-conference or video conference.

**7. PROCEEDINGS OF THE MEETING**

- (a) The Committee shall meet not less than two (2) times in a financial year at appropriate times in the annual review and reporting cycle and otherwise as required.
- (b) In the absence of the Chairman, the Committee shall appoint one (1) of the members present to chair that meeting.



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- (c) The Chairman may call for additional meetings at any time at his discretion or if requested to do so by any member or the internal or external auditors to consider any matter within the scope and responsibilities of the Committee.
- (d) The meetings may be attended by representatives and other appropriate persons as determined by the Chairman. No Director or employee shall attend any meeting of the Committee except at the Committee's invitation specific to the relevant meeting.
- (e) Any member may participate in the meetings of the Committee by means of tele-conferencing whereby all persons attending or participating the meetings can hear each other. The person or persons participating the meetings in the aforesaid manner shall be deemed for all purposes to be present in person at such meetings.
- (f) A resolution in writing signed by all members in lieu of convening a formal meeting shall be valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. The resolution in writing and other documents signed by the members using digital signatures and/or electronic signatures shall be valid, enforceable and effective as the original of the resolutions/documents duly sign physically provided that such digital signatures and/or electronic signatures are created in accordance with the Digital Signature Act 1997 and/or Electronic Commerce Act 2006. Any such resolution may consist of several documents in like form, each signed by one or more members.

**8. MINUTES OF MEETINGS**

- (a) The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- (b) Minutes of each meeting shall be duly entered in the minutes books and safekept at the registered office. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Committee and the Board.

**9. REPORTING PROCEDURES**

- (a) The Chairman of the Committee shall report to the Board on half-yearly basis, on its work in discharging its responsibilities during the year and the outcomes of its formal annual evaluation.



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- (b) The Committee will review and approve a summary report prepared by the management each year describing the Committee's work during that year and an annual plan for the upcoming year's activities, for inclusion in the Group's annual report.
- (c) The Chairman of the Committee (or another Committee member nominated by the Chairman) shall attend the annual general meeting to respond to any shareholder questions on the Committee's activities.

**10. DELEGATION**

- (a) The Committee may sub-delegate any or all of its powers and authority as it thinks fit, including, without limitation the establishment of sub-committees from each party to analyse particular issues or themes and to report back to the Committee.
- (b) Where appropriate to ensure the ongoing operating efficiency of the Committee, the Committee may delegate responsibility to the Chairman of the Committee to execute decisions on its behalf. In these instances, the Chairman of the Committee would, where appropriate, solicit the views of fellow Committee members.

**11. REVIEW AND EVALUATION**

The Committee will undertake an annual formal review of its effectiveness, including the role and responsibilities of the Committee, its organisation and effectiveness.

This shall include a review of these Terms of Reference.

**12. REVIEW OF THE TERMS OF REFERENCE**

The Committee shall recommend any changes to its Terms of Reference in such manner as the Committee deems appropriate to the Board for approval. The Terms of Reference shall be assessed, reviewed and updated where necessary.