Kinergy Advancement Berhad and its Group of Companies
Kinergy Group
Kinergy/ the Group

TERMS OF REFERENCE OF THE SUSTAINABILITY COMMITTEE

1. Name

The name of this Committee shall be called the Sustainability Committee.

2. Objectives

The principal objectives of the Sustainability Committee ("Committee") are to support the Board of Directors ("Board") in fulfilling its statutory duties and in providing strategic oversight, direction and governance over Kinergy Advancement Berhad and its Group of Companies ("**Kinergy**" or "**the Group**") sustainability agenda. This includes monitoring the Group's economic, environmental, social and governance performance, and for ensuring the integrity, quality and compliance of sustainability-related reporting and disclosures.

The Committee assists the Board by ensuring that:

- The Group's sustainability priorities, targets and initiatives are effectively integrated into business strategy and operations;
- Material sustainability matters — including economic, environmental, social and governance topics — are identified, managed and monitored; and
- Sustainability-related disclosures are accurate, complete and compliant with applicable regulations, frameworks and standards.

3. Roles and Responsibilities

i. Oversee and endorse the Group's sustainability and climate-related strategy, priorities, targets, and supporting policies.
ii. Monitor the Sustainability Team's ("SusTeam") execution of sustainability and climate-related initiatives across the Group.
iii. Ensure that the Group's sustainability and climate-related strategies, priorities, and targets are consistent with the Group's commitment to embedding sustainability within business operations
iv. Ensure that adequate resources, structures, and systems are available for effective sustainability and climate-related governance and that identified sustainability risks are managed efficiently.
v. Ensure the SusTeam effectively identifies and manages material sustainability and climate-related matters impacting the Group's operations.
vi. Review the implementation of the Group's sustainability and climate-related strategy, including stakeholder engagement, materiality assessment, policy development, setting sustainability and climate-related targets, and evaluating performance against these targets.
vii. Review and monitor the Group's sustainability and climate-related progress at least twice a year and ensure continued alignment with the Group's sustainability commitments and operational priorities.

4. Composition

The Committee shall be appointed from amongst the Board and shall comprise no fewer than three (3) members.

At least one (1) member of the Committee must have relevant skills, experience or qualifications, as determined by the Board, in sustainable development and sustainability-related matters. No alternate director shall be appointed as a member of the Committee.

Kinergy Advancement Berhad and its Group of Companies
Kinergy Group
Kinergy/ the Group

When the Group has the practice of appointing external assurance provider, a former key Sustainability engagement partner of the Group's external assurance provider is required to observe a cooling-off period of at least two (2) years before he or she could be appointed as a member of the Committee.

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

The appointment of a Committee member shall automatically be terminated if the member ceases to be a Director for any reason whatsoever or as determined by the Board.

5. Chairman

The members of the Committee shall elect a Chairman from amongst their number who shall be an independent director and shall not be the Chairman of the Board.

The Chairman of the Committee shall report to the Board on any matter that should be brought to the Board's attention and provide recommendations of the Committee that require the Board's approval at the Board meeting.

In the absence of the Chairman of the Committee, the other members of the Committee shall amongst themselves elect a Chairman who must be an independent director to chair the meeting.

6. Retirement and Resignation

If any member of the Committee retires, re-designates, resigns, is deceased, or for any reason ceases to be a member or Chairman resulting in non-compliance with paragraph 3 above, the Board and the members of the Committee shall within three (3) months of the event appoint/elect such new member(s) or Chairman as may be required to fill the vacancy.

In the event the new Chairman is not appointed/elected within three (3) months, the Committee shall still proceed with the stipulated minimum number of meetings within the definite time whereby the notice shall be given by the Secretary.

7. Secretaries

The Company Secretaries shall be the Secretaries of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

8. Meetings

The Committee shall meet semi-annually or more frequently as deemed necessary, with due notice of issues to be discussed, and shall draw conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion. Notice of Committee meetings shall be given by the Secretary to all the Committee members unless the Committee waives such requirement. Except in the case of an emergency, notice of every Committee meeting shall be given in writing.

The Committee members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

The person(s) carrying out the sustainability functions or activities should normally attend Committee meetings. Other Board members, employees and/or external consultants may attend meetings upon the invitation of the Committee.

Upon the request of the external assurance provider (when applicable), the Chairman shall convene a meeting of the Committee to consider any matter the external assurance provider believe should be brought to the attention of the Group.

Any questions that arise at any meeting of the Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Committee shall have a second or casting vote.

For good governance, each member must attend at least 50% of the meetings held within the year, failing which Board Nomination Committee will decide on the member's disqualification.

9. Minutes

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Committee and also to the other members of the Board. The Committee Chairman shall report on the proceedings of each meeting to the Board.

The minutes of the Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

The Committee members may inspect the minutes of the Committee at the Registered Office or such other place as may be determined by the Committee.

10. Quorum

The quorum for the Committee meeting shall be at least two (2) members of the Committee.

11. Circular Resolution

A resolution in writing signed by a majority of the Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee, duly called and constituted. Any such resolution may consist of several documents like forms each signed by one (1) or more Committee members. Any such document may be accepted as sufficiently signed by a Committee member if transmitted to the Company by either electrical or digital written message to include a signature of a Committee member.

12. Reporting Procedure

The Company Secretary shall circulate the minutes of meetings of the members of the Committee for notation.

13. Authority

The Committee in performing its duties shall, in accordance with the procedure to be determined by the Board:

a) Has authority to investigate any activity within its terms of reference;
b) Has the authority to seek unlimited/unrestricted access to any information and it requires from any employee and all employees are directed to co-operate with any request made by the Committee;
c) Has direct communication channels with the person(s) carrying out the sustainability functions or activities;
d) Obtain, at the expense of the Group, other external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it is necessary;
e) Have direct communication channels with the SusTeam, internal auditors and person(s) carrying out the internal sustainability function or activity (if any); and
f) Where the Committee is of the view that the matter they reported to the Board has not been satisfactorily resolved, resulting in a breach of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Committee shall promptly report such matter to Bursa Securities.

14. Review and Approval

This terms of reference shall be reviewed and updated periodically in accordance with the needs of the Group and are in compliance with applicable laws, directives and guidelines and that thereafter shall be recommended to the Board for approval.