

CAHYA MATA SARAWAK BERHAD
[Registration No. 197401003655 (21076-T)]
(Incorporated in Malaysia)

GROUP SUSTAINABILITY COMMITTEE
TERMS OF REFERENCE

The authority for the formation of this Group Sustainability Committee shall be the resolution passed on 18 April 2024 by the Board of Directors at its 309th (Special) Board of Directors' Meeting and the Articles of Association of Cahya Mata Sarawak Berhad ("Cahya Mata" or "the Company"). The functions of the Group Sustainability Committee shall extend to the Cahya Mata Group of Companies collectively referred to as the "Cahya Mata Group". The Terms of Reference is adopted on 12 December 2024 as follows:-

1. INTRODUCTION

These Terms of Reference (TOR) outline the objectives, right and power, duties and responsibilities, and membership of the Group Sustainability Committee (GSC or Committee) of Cahya Mata Sarawak Berhad (Cahya Mata Sarawak or Company). The TOR establishes the GSC's role in assisting the Board in fulfilling its statutory and fiduciary duties concerning sustainability matters in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements).

2. OBJECTIVE

- 2.1 To provide oversight on behalf of the Board of Directors of Cahya Mata Sarawak Berhad (Board), the Company's sustainability strategy and initiatives, ensuring the integration of economic, environmental, social, and governance (ESG) pillars into its business practices.

3. ROLE

- 3.1 The role of the GSC is to assist the Board in ensuring that the Company has in place a sound and robust sustainability roadmap and management framework. GSC shall ensure that the sustainability roadmap and management framework has been effectively implemented to enhance the Company's ability to achieve its strategic initiatives and objectives.

4. COMPOSITION AND MEMBERSHIP

- 4.1 The Board may upon recommendation of the Nomination and Remuneration Committee (NRC), appoint any of its members and their alternates as members of the GSC.

- 4.2 The GSC must be composed of not less than three (3) members including the Chairperson and the majority shall be Independent Non-Executive Directors (INED) at least one (1) of whom shall preferably have relevant industrial knowledge.
- 4.3 The Chairperson shall be an INED as recommended by the NRC provided that the Chairperson of the Group Audit Committee (GAC) shall not be the Chairperson of GSC.
- 4.4 Members of the GSC may relinquish their membership in the GSC by giving a prior written notice to the GSC Chairperson with a copy to the Company Secretary (CoSec). The NRC will review and recommend to the Board for approval, another Director to fill up such vacancy within three (3) months of the notice.
- 4.5 All members of the GSC, including the Chairperson, will hold office only so long they serve as Directors or Alternate Directors of the Company.
- 4.6 Members of the GSC shall possess sound judgement, objectivity, independent attitude, management experience, professionalism, integrity and knowledge of the industry.

5. DUTIES AND RESPONSIBILITIES

- 5.1 The GSC is to ensure that the Company conducts its business responsibly, with due consideration for its economic, environmental, economic, social and governance impacts.

The GSC's responsibilities shall include, but are not limited to the following:

5.2 Sustainability Strategy or Framework

- 5.2.1 ESG Strategy Development and Propose Approval
 - a. Oversee the development of the Company's ESG strategy.
 - b. Advise the Board and recommend the strategy for Board approval.
 - c. Ensure the strategy is effective, aligned with regulations and best practices, and integrated with the Company's business plan, values and objectives to support long-term sustainable success.
- 5.2.2 Governance and Execution
 - a. Oversee the Company's sustainability strategy and proposals from the ESG Taskforce for Board approval and adoption.
 - b. Review the effectiveness of governance structures, teams, and processes in delivering ESG outcomes.
 - c. Advise on risks and opportunities related to ESG strategy implementation (whether Carbon Neutrality or Net Zero) and their respective impact on the Company's operations and reputation.

5.2.3 Monitoring and Progress Evaluation

- a. Provide oversight on the execution and effectiveness of the Company's ESG framework, roadmap, and strategy.
- b. Monitor progress on short- and long-term sustainability goals, including material matters and globally recognized targets.
- c. Assess the adequacy of resources allocated to achieving sustainability compliance and targets.

5.2.4 Audit Compliance

- a. Review sustainability-related issues raised in independent audits, assurance reports, and by regulators or consultants.
- b. Receive quarterly updates on the Company's progress toward sustainability targets.

5.2.5 Sustainability Communication

- a. Review and recommend for Board approval the Sustainability Statement for the Annual Report, ensuring effective communication of the Company's sustainability initiatives and outcomes to stakeholders.

5.3 Sustainability Reporting

5.3.1 Design and Structure

- a. Oversee the development of the Company's ESG strategy.

5.3.2 Content and Compliance

- a. Review and recommend for approval the content, integrity, and completeness of external disclosures on ESG activities, targets, and progress.
- b. Ensure compliance with the Listing Requirements, integrated reporting frameworks and the applicable corporate governance code.

6. POSITION DESCRIPTIONS AND ROLES OF GSC CHAIRPERSON AND MEMBERS

6.1 The following are the main roles of the GSC Chairperson. These are nonexhaustive and serve merely as guidance:

- a. Assist the GSC to fulfill the goals it sets by assigning specific tasks to members of the GSC and identifies guidelines for the conduct of the members and ensure that each member is making a significant contribution.
- b. Provides leadership to the GSC and ensures proper flow of information to the GSC, reviewing adequacy and timing of documentation.
- c. Ensures that every GSC resolution is put to a vote to ensure that it is the will of the majority that prevails.

- d. Should engage on a continuous basis with the Senior Management members such as Group Managing Director, Group Chief Financial Officer, Group General Counsel and relevant key principal officers as well as external auditors in order to be kept informed of materiality matters affecting the Company.
- e. Secures good corporate governance and ensures that members look beyond their GSC function and accept their full share of responsibilities of governance materials in support of management's proposal.

6.2 Each GSC member is expected to:

- a. Provide individual independent opinions to the fact-finding, analysis and decision-making process of the GSC, based on their experience and knowledge.
- b. Make decisions and recommendations for the best interest of the Board collectively.
- c. Keep abreast of the latest ESG guidelines and trends in relation to the GSC and the Board as a whole.
- d. Continuously seek best practice in terms of the processes utilised by the GSC, following which these should be discussed with the members for possible adoption.

7. RIGHT AND POWER

The GSC in performing its duties shall:

- a. Have the authority to investigate any matter within its terms of reference.
- b. Have resources which are required to perform its duties.
- c. Obtain advice from independent professionals, advisors or those with relevant experience and invite them (if necessary) to attend the GSC meeting to brief the GSC on specific matters.
- d. Report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities including such recommendations and findings for the Board's approval and information, as applicable.
- e. Make recommendations to the Board that it deems appropriate on any area within the ambit of its terms of reference where action or improvement is required.

8. SECRETARY AND ITS FUNCTIONS

- 8.1 The GSC Secretary shall be the Company Secretary (CoSec) and in his or her absence, any executive from CoSec may attend the meeting on his or her behalf. The Secretariat to the GSC shall be the CoSec.
- 8.2 Set the date and venue of the meeting in consultation with the Chairperson.
- 8.3 Compilation and distribution of meeting materials.
- 8.4 Ascertain the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 8.5 Proper recording of the meeting proceedings and distributing draft minutes to members.
- 8.6 Follow-up actions for feedback submission to GSC.

9. MEETINGS ADMINISTRATIONS

- 9.1 The GSC shall meet at least four (4) times in a year preceding Board meetings where relevant or such additional meetings as decided by the Chairperson.
- 9.2 Notices of meetings shall be distributed to members at least seven (7) working days in advance.
- 9.3 The GSC may invite other members of management to attend its meetings as deemed appropriate.
- 9.4 Whilst the preference is for meetings to be conducted physically, meetings may also be held virtually, either via telephone or video conferencing or by any digital means, and any members participating via the said platforms shall be deemed to be present in person and counted as quorum for the meeting.

10. QUORUM

- 10.1 A quorum shall be two (2) members at least one (1) being INED.
- 10.2 A member may participate in the meeting by means of telephone conferencing, video conferencing or any communication equipment and he or she shall be deemed to be present in person and counted in a quorum of the meeting.
- 10.3 In the absence of the Chairperson, the members present shall elect a Chairperson for the meeting from amongst the members present.

11. CIRCULAR RESOLUTION

- 11.1 In the event a meeting could not be convened, approval may be sought by way of a Circular Resolution (CR) in writing to all GSC members. The CR shall be as valid and effectual as if it had been passed by a meeting of GSC duly convened. The CR must be signed or approved unanimously by all members.
- 11.2 Any such CR may consist of several documents in like form each signed by one or more GSC members, taking the form of documents in writing, or by other written electronic communication and shall be as valid and effectual as it has been passed by the GSC meeting duly called and constituted.

12. MEETING MATERIALS

- 12.1 Meeting materials are to be approved by the Group Managing Director prior to their tabling at the meeting.
- 12.2 Approved meeting materials are to be submitted to CoSec at the established deadline for purposes of preparing the Agenda.
- 12.3 CoSec shall issue notice of each meeting confirming the venue, time and date to GSC members at sufficient time before the date of the meeting.
- 12.4 CoSec shall distribute the approved meeting materials together with an agenda of items to be discussed to GSC members at an established deadline before the date of meeting.
- 12.5 Draft minutes are to be distributed to the GSC members within seven (7) days of the meeting or shorter period as agreed by the Chairperson.

13. REVIEW OF TERMS OF REFERENCE

- 13.1 All amendments to the Terms of Reference of the Committee must be approved by the Board.
- 13.2 These Terms of Reference are approved by the Board and adopted by the GSC on 12 December 2024.

14. CONFIDENTIALITY

- 14.1 All papers, resolutions, minutes and deliberations of the GSC are strictly and highly confidential. CoSec may prepare an extract of Minutes to facilitate response on action items where necessary.