

IBRACO BERHAD

(Company No. 011286-P)

Incorporated in Malaysia

SUSTAINABILITY COMMITTEE

TERM OF REFERENCE

OBJECTIVE

The objective of the Committee is to oversee the management processes and strategies designed to manage the impacts of the Group's operations on economic, environment and social.

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.

COMPOSITION

- (a) The members of the Committee shall be appointed by the Board and shall be made up of at least three (3) members. The Committee Chairman shall be an independent director appointed by the Board.
- (b) In the event of any vacancy resulting in the non-compliance of paragraph (a) above, the Board shall within three months of that event, appoint such number of new members required to fulfil the minimum requirement.
- (c) All members of the Committee, including the Chairman, shall hold office only so long as they serve as Directors of the Group.
- (d) The Board shall review the term of office and performance of the Committee and each of its members annually.

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.

SECRETARY

The Company Secretary, or a nominee, shall be the secretary of the Committee.

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.

MEETINGS

- (a) The Committee shall meet not less than two times a 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 of the members present to chair that meeting.
- (c) 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.

NOTICE OF MEETINGS

The Secretary shall send notice to all Committee members, any other persons by the Committee's invitation, no later than seven (7) days before the date of the meeting.

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 kept by the Secretary and circulated to all members within 7 days after each meeting.
- (c) Minutes shall be confirmed at the following meeting of the Committee. Confirmed minutes shall be circulated to all members of the Board by the Company Secretary.

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.
- (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.

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.

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.

Approved Nov 2018