



MKH BERHAD

Registration No: 197901006663 (50948-T)

**TERMS OF REFERENCE OF THE
SUSTAINABILITY COMMITTEE**

1. OBJECTIVES

The principal objective of the Sustainability Committee (“Committee”) is to assist the Board of Directors (“Directors”) (the “Board”) of MKH Berhad (the “Company”) in fulfilling its oversight responsibilities in relation to sustainability initiative of the Company and its subsidiaries (“Group”) covering environmental, social and governance (“ESG”) matters.

2. MEMBERSHIP

The Committee shall consists of at least two (2) Directors from the Company and one (1) Key Senior Management and shall consist of not less than three (3) members. No Alternate Director shall be appointed as a member of the Committee.

The members of the Committee shall elect a Chairman from amongst their members. The Chairman of the Committee shall not be the Chairman of the Board.

In the event of any vacancy in the Committee resulting in the number of members of the Committee reduced to below three (3), the vacancy shall be filled as soon as possible and shall not be later than three (3) months from that event.

The Board shall have the discretion as it deems fit to rescind and/or revoke the appointment of any person(s) in the Committee.

3. SECRETARY OF THE COMMITTEE

The Company Secretary or his/her nominee shall act as Secretary to the Committee.

The Company Secretary shall draw up the agenda for each meeting in consultation with the Chairman of the Committee. The agenda shall be sent to all members of the Committee at least seven (7) calendar days prior to each Committee meeting, unless with the unanimous consent of the Committee members for calling a shorter notice of meeting.

The Company Secretary shall promptly prepare the minutes of the meeting and circulate it to each member. The minutes of the Committee shall be confirmed and signed by the Chairman or the presiding Chairman of the next succeeding meeting.

4. MEETINGS

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

Meeting shall be held once a year or more often as the Committee deemed as necessary to fulfil its responsibilities.

A resolution in writing described as “**Circular Resolutions of the Committee**” signed by a majority of the Committee members shall be 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 in the like form, each signed by one (1) or more members. The resolution in writing may be accepted as sufficiently signed by the Committee member if transmitted to the Company via facsimile or other forms of electronic communications.

The Committee is authorised to call any employees to attend at a meeting of the Committee as and when required.

5. REPORTING

The Chairman of the Committee (or a Committee member nominated by the Chair of the Committee) shall report to the Board on the proceedings of each Committee meeting and on all matters within the Committee's duties and responsibilities and make any recommendations it deems appropriate on any area within its remit where action or improvement is needed.

6. RIGHTS AND AUTHORITY

The Committee is authorised by the Board to investigate any matter within its terms of reference. The Committee is also authorised to obtain independent consultants and other advisors (including external legal advice) as the Committee deems necessary to perform its duties.

The Committee has full and unrestricted access to information, records and documents relevant to its activities.

7. FUNCTIONS AND DUTIES

The functions and duties of the Committee shall be, amongst others to: -

- a) review the effectiveness of the Group's sustainability and recommend as appropriate to the Board on, the Group's policy and performance in relation to the ESG aspect of the Group's businesses.
- b) provide oversight and input to Management on the Group's policies, strategies and programs related to ESG matters and corporate responsibility.
- c) review the Company's Sustainability Statement and recommend it for the Board's approval for inclusion in the Company's annual report.
- d) review issues relating to sustainability arising from independent audits and assurance reports as well as any matters highlighted by the consultants (if any).
- e) develop and monitor the effectiveness of the risk management framework related to sustainability and ESG matters.
- f) consider any other matters relevant to sustainability or ESG matters.

8. REVIEW OF THE TERMS OF REFERENCE

This term of reference of has been approved by the Board on 29 June 2022 and will be reviewed and updated annually to ensure it remains consistent in the light of new best practices and new regulatory requirements.