PRG
HOLDINGS BERHAD

TERMS OF REFERENCE OF SUSTAINABILITY COMMITTEE

11. **Constitution**

1.1. The Board of Directors has established a committee of the Board to be known as the Sustainability Committee ("SC" or "Committee").

1.2. The purpose of the Committee is to oversee the Company's and its subsidiaries' (collectively, "the Group's")

1.2.1. sustainability strategy and initiatives covering environmental, social and economic aspect as well as embedding sustainability practices into the businesses;

1.2.2. overall integration of sustainability which includes the sustainability framework, commitments, strategy, targets, as well as the credibility of material ESG topics disclosures in sustainability reporting;

1.3. In carrying out its duties and responsibilities, the Committee shall also have the authority to meet with and seek any information it requires from employees, officers, directors or external parties. In addition, the Committee meets with other board committees to avoid overlap as well as potential gaps in overseeing the companies' risks.

2. Membership

2.1. The Committee shall be appointed by the Board from amongst the directors of the Company and shall comprise at least three (3) members.

2.2. The members of the Committee shall elect a Chairman from among their number, whom shall be a Non-Executive Director. The Chairman of the Board shall not be the Chairman or member of the Committee.

2.3. The Company Secretary or such other persons authorised by the Board shall act as the Secretary to the Committee.

2.4. If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months from the date of that event, appoint such number of new member(s) as may be required to make up the minimum number of three (3) members.

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

3. Meetings and Minutes

3.1 The Committee shall meet at least once a year, or more frequently, as and when required to precede with its duties and responsibilities as outlined in this Terms of Reference.

3.2 The quorum for a meeting of the Committee shall consist of not less than two (2) members.

3.3 The Chairman of the Committee will approve the agenda for the committee's meetings, and any member may suggest items for consideration. Briefing materials will be provided to the Committee as far in advance of meetings as practicable.

3.4 The Chairman of the Committee shall report to the Board the key issues discussed at each meeting and its minutes tabled and noted by the Board. The books containing the minutes of proceedings of any meeting of the Committee shall be kept by the Company at the registered office or the principal office of the Company, and shall be open for inspection by any member of the Committee and the Board of Directors.

3.5 The Committee may deal with matters by way of a circular resolution in writing, in lieu of convening a formal meeting. The circular resolution, signed by a majority of the members of the Committee, shall be as valid and effectual as if it has been passed at a meeting of the Committee duly convened.

4. Authority

4.1 The Committee is authorised by the Board to investigate any matter within the Committee's terms of reference. It shall have full and unrestricted access to any information pertaining to the Group and shall have the resources it requires to perform its duties. All employees of the Group are required to comply with the requests made by the Committee.

4.2 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary, the expenses of which will be borne by the Company.

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5. **Functions and Duties**

The main functions and duties of the SC shall include but are not limited to the following:

5.1 to provide oversight on the governance of sustainability in the Group including setting the Group's sustainability strategies, priorities and targets;

5.2 to provide oversight to ensure that strategies, priorities and targets pertaining to environment, social and governance are aligned with the Group's commitment towards integrating sustainability practices and shared values with our business operations

5.3 to oversee the sustainability performance, the processes, framework and strategies designed to manage environmental, social and governance ("ESG") risks, covering matters such as safety, health, employment practices, environmental practices, human rights, community relations and other relevant sustainability matters, etc.;

5.4 to assess and manage ESG-related risks and opportunities including climate-related risks and advise the Board on sustainability strategies, initiatives, and targets;

5.5 to ensure strategic management of material sustainability matters and oversee implementation of approved sustainability strategies and initiatives;

5.6 to review and propose the Company's ESG Framework and sustainability strategies that aligns with the Groups overall business strategy including vision, mission, policies, targets and initiatives for approval;

5.7 to propose material sustainability matters and materiality matrix to the Board;

5.8 to oversee stakeholder engagement and material sustainability matters management;

5.9 to oversee the planning and preparation of sustainability targets and disclosures;

5.10 to review adoption and effectiveness of all sustainability related policies/standards;

5.11 to oversee management processes to ensure compliance with policies/standards;

5.12 to provide oversight and input to management's implementation, operation and assurance of policies and standards to ensure that the Group's strategies and goals pertaining to sustainability are aligned with;

5.13 to review the sustainability report to ensure the disclosures are prepared in reference to the MMLR prior to presenting it to the Board for approval;

5.14 develop communication strategies and mechanism to engage stakeholders on sustainability and climate-related agenda and conduct materiality assessment periodically to assess and identify stakeholders' priorities; and

5.15 to perform such other functions and exercise such other powers as may be delegated to it from time to time by the Board.

6. Reporting procedures

6.1 The Committee reports to the Board on quarterly basis.

6.2 Key reporting procedures of the Committee are as follows:

i. Respond to reports from management so that management understands the importance placed on such reports by the committee and how the committee views their content;
ii. Any relevant matters within the remit of the Committee deemed to be of major importance or improvement is needed shall be referred to the Board for its attention; and
iii. The Committee shall be responsible to ensure that the Company generates its Sustainability Report in reference to the Listing Requirements, the Sustainability Reporting Guide and the Sustainability Toolkit issued by Bursa Malaysia Berhad.

7. Revision and Updates

Where necessary, this Terms of Reference will be reviewed and updated to ensure it remains consistent with the Committee's objectives and responsibilities. Any proposed revision or amendment to these Terms of Reference, whether by the Committee or a third party, must first obtain Board approval.