



MINETECH RESOURCES BERHAD

**TERMS OF REFERENCE OF
SUSTAINABILITY COMMITTEE (“SC”)**

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Table of Contents

	Page
Revision Log	2
1.0 Composition	3
2.0 Chairperson	3
3.0 Retirement and Resignation	3
4.0 Secretary	3
5.0 Meetings	4
6.0 Rights and Authority	5
7.0 Duties and Functions	6
8.0 Review of the Sustainability Committee	9
9.0 Review of The Terms of Reference	9

Revision Log

This Terms of Reference (“**TOR**”) of the Sustainability Committee is the property of Minetech Resources Berhad (“**Minetech**” or “**Group**” or “we” or “us” or “our”). The Sustainability Committee of Minetech is the custodian of this TOR document and is responsible for the maintenance and update of this TOR.

All amendments and/or update made to this TOR are to be tracked. Relevant information such as this TOR’s version control number, dates of amendment and approval, and section(s) amended is to be recorded in the amendment schedule below –

Version Number	Date	Details of Changes		Approval Date
		Section Ref.	Description of Changes	
1.1	12/01/24	-	-	30/01/24

1. Composition

1.1 The Board of Directors ("**Board**") shall appoint from amongst its Directors to form the Sustainability Committee ("**SC**") which fulfils the following requirements:

- (a) The SC must be composed of not fewer than 3 members;
- (b) Majority of the SC members must be non-executive directors, with a majority of them being independent directors;
- (c) At least 1 member must have attended a training related to Sustainability or has exposure or knowledge on Sustainability.

The Board may invite member(s) of the Senior Management Team of the Group to join the SC. The said-member(s) must have exposure, knowledge, training or has relevant qualification on sustainability-matters.

1.2 No alternate director shall be appointed as a member of the SC.

2. Chairperson

2.1 The Chairperson, who shall be elected by the SC, shall be an independent director.

3. Retirement and Resignation

3.1 In the event of any vacancy in the SC resulting non-compliance of paragraphs 1.1, 1.2 and 2 above, the Group must fill the vacancy within 3 months.

3.2 A member of the SC who wishes to retire or resign should provide sufficient written notice to the Group so that a replacement may be appointed before he leaves.

4. Secretary

4.1 The Secretary of SC shall be the Company Secretary of Minetech or any other person as the SC may decide. The Secretary of the SC shall be responsible, in consultation with the Chairperson, for drawing up the agenda and circulating it prior to each meeting.

4.2 The Secretary shall also be responsible for keeping the minutes of meetings of the SC and circulating them to the SC members.

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

5. Meetings

- 5.1 The SC shall meet at least two (2) times in each financial year. The quorum for a meeting shall be 2 members, provided that the majority of members present at the meeting shall be independent.
- 5.2 Any member of the SC may call for a meeting as and when required with reasonable notice as the SC members deem fit.
- 5.3 The SC may participate in a meeting of by means of a telephone conference or video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 5.4 All decisions at such meeting shall be decided on a show of hands, on majority of votes.
- 5.5 The SC shall regulate the manner of proceedings of its meetings, having regard to normal conventions on such matter. A resolution in writing, signed by majority of the members of the Committee, shall be as effectual as if it has been passed at a meeting of the SC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more committee members and may be accepted as sufficiently signed by an SC member if transmitted to the Company by email, facsimile or other electronic means or digital written message/application to include a signature of an SC member.
- 5.6 The external sustainability/ESG auditor and/or consultant have the right to appear at any meeting of the SC and shall appear before the SC when required to do so by the SC. The external sustainability/ESG auditor and/or consultant may also request a meeting if they consider it necessary.
- 5.7 Other directors or employees may attend any SC Meeting only at the SC's invitation, specific to the relevant meeting.

6. Rights and Authority

- 6.1 The SC shall in accordance with a procedure to be determined by the Board and at the cost of the Group:
- (a) has authority to investigate any matter within its terms of reference;
 - (b) has the resources which are required to perform its duties;
 - (c) has full and unrestricted access to the Executive Directors and to any information pertaining to the Group;
 - (d) has direct communication channels with the external sustainability/ESG auditor and/or consultant, and person(s) carrying out the internal sustainability/ESG audit function or activity;
 - (e) has the right to obtain independent professional or other advice;
 - (f) has the right to convene meetings with the external sustainability/ESG auditor and/or consultant, whenever deemed necessary; and
 - (g) promptly report to the Bursa Malaysia Securities Berhad matters which have not been satisfactorily resolved by the Board of Directors resulting in a breach of the Listing Requirements of Bursa Malaysia Securities Berhad.

7. Duties and Functions

7.1 Sustainability – General

- (i) To review and deliberate on the Group's Sustainability framework and policy, and advising the Board on the matter.

This includes overseeing and reviewing the development and implementation of the Group's sustainability vision, strategy, framework, initiatives, policies and practices, and explore ways to incorporate them into the Group's overall operations and business goals. The function involves periodically reviewing the sustainability framework & policy of the Group which is grounded in the Environmental, Social and Governance (“ESG”) pillars, to ensure its alignment with evolving local and global sustainability trends and developments, while also confirming its feasibility within the Group's existing resources and capabilities

- (ii) To provide direction and instruction to the Sustainability Working Group (“SWG”) of the Group in executing all matters related to Sustainability.
- (iii) To discharge the direction of the Board in all matters related to Sustainability.

7.2 Sustainability – Key Functions

- (i) To review and approve all Sustainability practices and initiatives.
- (ii) To ensure that the Group meets its Sustainability obligations, initiatives and targets.

- (iii) To ensure that the Group meets all the statutory and regulatory requirements related to Sustainability.
- (iv) To continuously evaluate the Sustainability practices of the Group compared to the latest development in Sustainability compliances and economic requirements.
- (v) To assess the internal process for determining and managing key Sustainability-related risks other than those that are dealt with by other specific committees.
- (vi) To provide a half-yearly report to the Board for update and deliberations.
- (vii) To assist the Board regarding the disclosures in the Sustainability Statement to be included in the Group's Annual Report.
- (viii) To review the evaluation by the Internal and External Auditors of the Group's Sustainability framework & policy, practices and reporting.
- (ix) Where appropriate, supervise any special project considered necessary, to be carried out by the Sustainability Consultant and/or the Sustainability Working Group ("SWG").
- (x) To review with the Group's legal counsel and/or Sustainability Consultant, any legal matter that could have a significant impact on the Group's Sustainability practices when necessary.

7.3 Sustainability Working Group ("SWG**")**

- (i) To review the adequacy of the scope, functions, competency and resources of the SWG, and whether it has the necessary resources and support to carry out its work.
- (ii) To assess the quality and effectiveness of the Sustainability practices and the efficiency of the Group's SWG.
- (iii) To consider the major findings of the SWG and Management's responses, monitor the implementation of any recommendations made therein and ensure effective coordination between the SWG and Management.
- (iv) To review appraisals or assessments of the performance of SWG.
- (v) SWG to provide periodic update to the SC, and thereafter report the same to the Board.
- (vi) Where actions are not taken within an adequate timeframe by the SWG, SC shall also report the same to the Board for its further action.

7.4 Sustainability Reporting

- (i) Review the annual (or periodic) Sustainability Statement/Report of the Group together with the relevant announcements prior to the approval by the Board, focusing particularly on the following:

- compliance with the Listing Requirements of Bursa Malaysia and all statutory guidelines and requirements.
- compliance with all the Sustainability guidelines and practices followed by the Group.
- compliance with the sustainability framework and policy of the Group.
- compliance with accounting standards and other legal requirements in relation to Sustainability Standards.
- ensuring that all quantitative reporting is auditable, measurable and comparable.
- ensuring that all quantitative reporting is consistent with reporting from previous reports, and address variances adequately.
- ensuring that all Sustainability-related matters are deliberated and acted upon on a timeliness manner and reported in the appropriate channel of communication.
- significant matters highlighted including Sustainability issues, significant judgements made by management, significant and unusual events or transactions and how these matters are being addressed.

7.5 Sustainability/ESG Auditor

- (i) Recommend to the Board on the appointment or removal of Sustainability/ESG Auditor for the Group.
- (ii) Ensure the Sustainability/ESG Auditor is independent of the activities it audits and the head of Sustainability/ESG audit service provider (for outsourced Sustainability/ESG audit) reports functionally to the SC directly and review their performance on an annual basis.

The head of Sustainability/ESG audit service provider should have the relevant qualifications and be responsible for providing assurance to the SC that the sustainability practices are operating effectively. The head of Sustainability/ESG audit service provider shall be responsible for the regular review and/or appraisal of the effectiveness of the sustainability risk management, internal control, and compliance & governance processes within the Group.

- (iii) Review appraisals or assessments of the Sustainability/ESG Auditor.
- (iv) To discuss sustainability-related problems and reservations arising from the internal and external Sustainability/ESG audit and on matters that the Internal Auditor and External Auditor respectively may wish to discuss, in absence of the Management and Executive Directors where necessary.

7.6 Other functions

To take such other actions and do such things as may be referred to it from time to time by the Board.

8. Review of the Sustainability Committee

- 8.1 The Board must via its Nomination and Remuneration Committee review the term of office and performance of the SC and each of its members annually to determine whether the SC and members have carried out their duties in accordance with its Terms of Reference.

9.0 Review of the Terms of Reference

- 9.1 This Terms of Reference shall be reviewed periodically (subject to at least once in every 3 years) in accordance with the needs of the Group and the Board's approval shall be obtained for any amendment or changes made from time to time.

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