

# Terms of Reference of the Sustainability Committee

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REVISION TABLE

| Revision No. | Description of Change | Clause(s) Affected | Requestor | Effective Date |
|--------------|-----------------------|--------------------|-----------|----------------|
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# Terms of Reference of the Sustainability Committee

The Sustainability Committee of Leader Energy Group Berhad ("Company") has established a formal procedure that clearly sets out its role and provides it with all the necessary powers and rights to perform that role.

The Sustainability Committee serves as a board committee to promote sustainability awareness and ethical practices into the Company and its subsidiaries ("Group") business operation and to provide guidance and monitor the progress of the Group's sustainability development in terms of strategies, objectives, targets and action plans throughout the Group.

## 1.0 Composition

### Membership

- 1.1 The members of the Sustainability Committee shall be appointed by the Board of Directors of the Company ("Board") and shall comprise at least three (3) members (inclusive of its Chairman). Members to be appointed shall comprise Board members and the Group Chief Executive Officer ("GCEO"). The members of the Sustainability Committee shall elect a Chairman from amongst their members.
- 1.2 In the absence of the Chairman of the Sustainability Committee, the other members of the Sustainability Committee shall amongst themselves elect a Chairman to chair the meeting.

### Secretary

- 1.3 The Secretary to the Sustainability Committee shall be the Company Secretary.

### Relinquishment of Membership

- 1.4 Members of the Sustainability Committee (except for GCEO) may relinquish their membership in the Sustainability Committee with prior written notice to the Board and may continue to serve as Directors of the Company.
- 1.5 If a member of the Sustainability Committee resigns or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall base on the recommendation of the Nominating Committee, within three (3) months appoint such number of new members as may be required as soon as practicable provided that the composition of the Sustainability Committee shall meet the criteria set out in Section 1.1 above.

## 2.0 Authorisation

The Sustainability Committee, in carrying out its duties and responsibilities, shall in accordance with the procedure determined by the Board and at the cost of the Company:

- 2.1 have the resources which are required to perform its duties;
- 2.2 have full and unrestricted access to any information within the Group; and
- 2.3 be able to obtain independent professional advice or other advice and to invite persons with relevant experience and expertise to attend its meetings, if necessary.

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## 3.0 Functions and Duties

The Sustainability Committee shall, amongst others, discharge the following functions:-

- 3.1 Review the sustainability policy, objectives, strategies and targets to ensure the Group stays relevant to the development in the economic, environmental, social and governance landscapes and aligning with the Group's vision and mission while ensuring compliance to applicable laws and regulations.
- 3.2 Monitor the communication strategies and mechanism established by the management of the Company ("Management") to effectively promote the sustainability awareness among the employees of the Group and internal and external stakeholders.
- 3.3 Monitoring the implementation of sustainability related policies, measures and actions in achieving the Group's sustainability milestones and goals including monitoring and make recommendations to the Management in relation to the implementation of sustainability strategies, targets, and action plans such as making reasonable enquiries and steps to ensure the milestones and/or goals set out are achievable, by taking into consideration ESG risks in the disclosures to the public to achieve the Group's goals while in compliance with applicable laws and regulations.
- 3.4 Review issues relating to sustainability arising from grievances, independent audits and assurance reports as well as any matters highlighted by external consultant(s).
- 3.5 Oversee, monitor and engage any reporting to external parties on sustainability performance and facilitate on data collection and sharing processes to enhance timeline and quality of sustainability reporting.
- 3.6 Oversee the provision of an induction programme following the appointment of members of the Sustainability Committee and determine the ongoing training and development of its members, considering individual requirements.
- 3.7 Undertake an annual review of its effectiveness, focusing on the roles and responsibilities of the Sustainability Committee and the sustainability initiatives towards the Group.
- 3.8 Prepare a report describing the sustainability efforts and activities conducted on each year to be included into the Company's annual report.
- 3.9 Carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

## 4.0 Meetings

- 4.1 The Sustainability Committee shall meet at least twice a year. Additional meetings may be called at any time at the discretion of the Chairman of the Sustainability Committee.

### Quorum and Voting

- 4.2 The quorum for a meeting of the Sustainability Committee shall be two (2) members.
- 4.3 Each member of the Sustainability Committee is entitled to one (1) vote in deciding the matters deliberated in the meeting. The decision that gained the majority of votes shall be the decision of the Sustainability Committee.

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- 4.4 In the case of an equality of votes, the Chairman has a second or casting vote, except where two (2) members form a quorum, the Chairman at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue shall not have a casting vote. The question in issue shall then be tabled at the next meeting of the Sustainability Committee or referred to the Board for decision, whichever is more expedient.
- 4.5 A member of the Sustainability Committee shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him/her.

## Agenda

- 4.6 A meeting agenda shall be sent to all members of the Sustainability Committee and any other persons who may be required/invited to attend the meeting of the Sustainability Committee. The agenda, together with the supporting papers, shall be circulated at least five (5) working days before each meeting. The members of the Sustainability Committee, may, however, consent to shorter notice whereupon the requisite period shall be waived.

## Attendance

- 4.7 If any member is unable to be physically present, he/she may choose to participate by means of a conference telephone or any other audio, or audio-visual, communication equipment which allows all persons participating in the meeting to hear and speak with each other and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum accordingly.
- 4.8 The Sustainability Committee may at its discretion and as necessary, invite any Board member or any member of the Management within the Group and external consultant(s) whom the Sustainability Committee thinks fit to attend its meetings to assist and provide pertinent information as necessary.
- 4.9 For good governance, each member must attend at least 50% of the meetings held within the year, failing which Nominating Committee will decide on the member's disqualification.

## **5.0 Minutes**

- 5.1 The Company Secretary shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Sustainability Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.
- 5.2 Minutes of each meeting shall be distributed to the Board for notation.
- 5.3 The books containing the minutes of proceedings of any meeting of the Sustainability Committee shall be kept at the registered office of the Company and shall be opened to the inspection of any member of the Sustainability Committee or the Board.

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## 6.0 Circular Resolution

- 6.1 A resolution in writing signed by a majority of the Sustainability Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Sustainability Committee duly called and constituted.
- 6.2 The resolution may consist of several documents in like form, each signed by one (1) or more Sustainability Committee members. Such document may be accepted as sufficiently signed by a member if it is transmitted to the Company by facsimile or other electrical or digital written message, which include a signature of the said member.

## 7.0 Reporting

The Sustainability Committee, through its Chairman, shall report a summary of significant matters to the Board at the next Board meeting after each meeting of the Sustainability Committee. When presenting any recommendations to the Board for approval, the Sustainability Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.

The Chairman of the Sustainability Committee shall attend the Annual General Meeting of the Company and is answerable to any shareholder questions on the Sustainability Committee's activities.

## 8.0 Review of Terms of Reference

Any amendments to this Terms of Reference shall be approved by the Board. This Terms of Reference will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Sustainability Committee's responsibilities.

This Terms of Reference has been adopted by the Board on 23 March 2023 and is made available for reference on the Company's website at <https://www.leaderenergy.com/>.