



Registration No. 201001016854 (900557-M)
(Incorporated in Malaysia)

TERMS OF REFERENCE OF THE SUSTAINABILITY COMMITTEE

DEFINITIONS

“BAuto” or “Company”	:	Bermaz Auto Berhad
“Board”	:	Board of Directors of BAUTO
“Group”	:	BAuto and its subsidiaries
“Management”	:	Management of BAUTO Group
“SC” or “Committee”	:	Sustainability Committee of BAUTO

1.0 COMPOSITION

- 1.1 The Committee member shall be appointed by the Board of Directors of Bermaz Auto Berhad (“Board”) from amongst the Directors and shall have at least three (3) members and at least one (1) Committee members must be an Executive Director.
- 1.2 The appointment of a Committee member terminates when the member ceases to be a Director of the Company, or as determined by the Board.
- 1.3 The Chairman of the Committee, who is not the Chairman of the Board, shall be an Independent Non-Executive Director appointed by the Board.
- 1.4 An alternate Director shall not be appointed as a member of the Committee.

2.0 AUTHORITY

- 2.1 The Committee shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Board and at the cost of the Group.
- 2.2 The Committee may request other Directors, members of Management, counsels, consultants as applicable, to participate in Committee meeting(s), as necessary, to carry out the Committee's responsibilities.
- 2.3 The Committee has the delegated authority of the Board in respect of the functions and powers in these Terms of Reference. The Committee may establish committees or working groups which may comprise members from outside BAUTO Group to assist the Committee in carrying out its duties and responsibilities effectively.

3.0 SCOPE AND FUNCTIONS

The scope and functions of the Committee shall include, but not limited to, the following:

- 3.1 In the context of the requirement for companies to conduct their business in a responsible manner (including in relation to economic, environmental, social and governance (EESG matters) as well as to manage their non-financial risks, the duties of the Committee, are to review the strategies, policies, management, initiatives, targets setting and performance of the Group, as appropriate, in the following areas:
- Health and safety, including the security of assets and employees, whilst recognising that the boards of the respective companies within the Group shall be responsible for the health and safety in accordance with the prevailing health and safety laws.
 - Environment, including where applicable emissions to air, water and land, energy management, climate change, waste and resource management, and compliance with environmental regulation.
 - Workplace policies, including employees' Code of Conduct and Business Ethics.
 - Group corporate policies relating to the Committee's scope.
 - Oversee management processes designed to ensure compliance with the policies that fall within the Committee's scope.
 - Role of the Group in society, including community engagement policies and the overall strategy for corporate sponsorship and donations.
- 3.2 Provide oversight and monitor the execution of BAUTO's EESG framework and strategy, and the Group's progress on its long-term sustainability and climate goals and targets, including progress in relation to sustainability material matters and achieving the net-zero commitment.
- 3.3 Provide guidance and oversight, and if required recommend to the Board, proposals by the Management on key policies, programmes and any partners required to implement the EESG framework and strategy.
- 3.4 Review the actions taken by the Group to determine the suitability of the workplace, health and safety and environmental policies and practices of their respective key suppliers and contractors;
- 3.4 In relation to the areas specified in Sections 3.1. and 3.2, the Committee shall receive and consider the following on annual basis (where applicable) the following:
- Review the reporting references, data and restatement (if any) of the Group.
 - Review and recommend a statement to be included in the Annual Report concerning the activities of the Committee to the Board for approval.
 - Review and recommend the Group's Annual Sustainability Statement (including the sustainability targets for next financial year, if any) to the Board for approval.

- Review the reports on the actions taken by the Group pertaining to workplace performance, employees' code of conduct, protection of assets, health and safety, community engagement activities and environmental policies and practices.
 - Review and recommend to the Board the sustainability targets and direction of the Group for the forthcoming financial year, if any.
 - Review and recommend to the Board the plan for the forthcoming year and report to the Board on the review, if any.
- 3.5 The Committee will advise the Risk Management Committee on the sustainability-related risk management activities of BAUTO Group.
- 3.6 The Committee shall conduct a detailed materiality assessment periodically (eg. biennially) to analyse sustainability megatrends, focusing primarily on stakeholders' perception and BAUTO Group's priorities.
- 3.7 The Committee shall make whatever recommendations to the Board as it deems appropriate on any area within its review where action or improvement is needed.
- 3.8 The Committee shall give due consideration to applicable laws and regulations, including the requirements of the Malaysian Code of Corporate Governance and the listing requirements of Bursa Malaysia Securities Berhad, as appropriate.

4.0 FREQUENCY AND ATTENDANCE

- 4.1 The Committee shall meet at least once a year and on additional meeting(s) as and when required.
- 4.2 The quorum for a meeting of the Committee shall be at least two (2) members, of which one shall be an Independent Director. In the absence of the Chairman of the Committee, the members present shall elect one (1) of their numbers to chair the meeting.
- 4.3 Matters arising at any meeting shall be decided by a majority vote, each member having one (1) vote. In the event of equality of votes, the Chairman of the meeting shall have a casting vote. However, the Chairman of the meeting shall not have a casting vote if only two (2) members are present or when only two (2) members are eligible to vote. The question in issue shall be tabled at the next meeting of the Committee or referred to the Board of the Company, whichever is more expedient.
- 4.4 The meetings of the Committee may be conducted by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means and the minutes of such a meeting signed by the Chairman of the meeting shall be conclusive of any meeting conducted as aforesaid.

- 4.5 A resolution in writing signed or approved by letter, facsimile or electronic communication by a majority of members shall be effective for all purposes as if it were a resolution passed at a meeting of the Committee duly convened, held and constituted. Any such resolution may consist of a single document or several documents all in like form each signed by one or more members. All such resolutions shall be recorded by the Secretary in the minutes book.
- 4.6 The Secretary of the Committee shall be appointed by the Committee from time to time. The agenda for the Committee meeting(s) shall be determined by the Chairman of the Committee. The Chairman of the Committee may also request the Management to be present at the meeting(s).
- 4.7 Unless otherwise agreed by all members of the Committee for a shorter period, the notice and agenda for meetings shall be circulated at least five (5) business days prior to the date of meeting to all Committee members and to those who are requested to attend.
- 4.8 Proceedings at meeting shall be properly documented and minutes of meeting to be approved by the Chairman of the meeting or by the Chairman of the next succeeding meeting. Upon approval by the Chairman of the meeting, it shall be conclusive evidence without any further proof of the facts thereon and the minutes of meeting shall then be circulated to the Board. The Management shall be provided with the minutes and list of matters arising for follow up on key actions required.
- 4.9 The Chairman of the Committee shall report to the Board at the next Board meeting following the Committee meeting. Relevant information and supporting documents (if any) shall be provided to the Board for them to have an informed decision and to facilitate making the relevant disclosures and/or announcements to the authorities, where appropriate.
- 4.10 The Committee shall be present at the Annual General Meetings of the Company to assist in responding to any question that may be posed to them by the shareholders.

5.0 REVIEW OF THE TERMS OF REFERENCE

The foregoing Terms of Reference will be amended and modified from time to time in line with any changes in relevant legislation, codes or regulations (in so far as they are applicable to this Terms of Reference and are mandatory), and all such amendments and modifications shall be deemed incorporated without the requirement for further approvals from the Committee and the Board. The Committee and the Board shall thereafter be duly informed of such amendments and modifications. A copy of the Terms of Reference of the Committee is available on the Company's website at www.bauto.com.my.

The existing Terms of Reference was last reviewed and approved by the Board on 3 August 2021.

Reviewed and approved by the Board on 13 March 2024.