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## TERMS OF REFERENCE OF THE GROUP SUSTAINABILITY COMMITTEE

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### 1. MEMBERSHIP

- 1.1 The Group Sustainability Committee ("Committee") shall consist of at least one (1) Director from the Board of Kumpulan Fima Berhad ("KFima") and one (1) Director from the Board of Fima Corporation Berhad ("FimaCorp") and the representatives from the Management.
- 1.2 The Chairman of the Committee shall be elected by the members of the Committee amongst their number. The Chairman to be elected must be an Independent Non-Executive Director of either KFima or FimaCorp.
- 1.3 The Committee Secretary shall be any person as the Committee may decide.

### 2. ROLE

- 2.1 The Committee shall assist the Boards of KFima and FimaCorp to meet its oversight responsibilities in relation to the Group's sustainability initiatives and performance.
- 2.2 The duties of the Committee include reviewing and making recommendations to the Board on, the Company's policy and performance in relation to the marketplace, environment and social. The Committee is authorized:
  - (a) to seek any information it requires in order to perform its duties from any employees of the Group; and
  - (b) to obtain, at the Company's expense, any other professional advice and services as it considers necessary to carry out its duties.
- 2.3 Provide oversight and input to Management to ensure that the Group's strategies, goals and principles pertaining to the sustainability are aligned with, promote and encourage the Group's commitment towards sustainability.
- 2.4 Advise on the Group's sustainability report and any other specific reports (if any) prior to reporting to the Board including:
  - (a) changes in sustainability policies, standards and procedures, and its implementation.
  - (b) Assessment of issues material to the achievement of sustainability by the Group and efforts to address the material issues.
- 2.5 Review issues relating to sustainability arising from independent audits and assurance reports as well as any matters highlighted by the consultants (if any).
- 2.6 Consider and recommend to the Board positioning on relevant emerging sustainability issues.
- 2.7 The Committee shall not perform any management functions, nor assume any management responsibilities, and will act in an advisory and oversight capacity.

### **3. MEETING**

- 3.1 The Committee shall meet at least once a year and at such other time(s) as it deems necessary to fulfil its responsibilities.
- 3.2 The Committee may extend any invitation to any person to attend all or part of any meeting which it considers appropriate.
- 3.3 The Committee Secretary shall attend the Committee meetings. The Committee shall cause minutes to be entered in the books provided for purpose of recording all resolutions and proceedings of meetings of the Committee.
- 3.4 Such minutes shall be signed by the Chairperson of the meeting at which the proceedings were held or by the Chairperson of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.
- 3.5 The quorum of the Committee shall be three (3) members of the Committee.
- 3.6 In the absence of the Committee Chairman, the members shall elect one of their number as Chairman for that meeting.
- 3.7 The books containing the minutes of the proceedings of any meetings of the Committee shall be kept by the Company at the registered office of the Company and shall be open to the inspection of any members of the Committee or the Board.
- 3.8 A circular resolution in writing signed by majority members shall be valid and effective as it had been passed at a meeting. All such resolution shall be submitted for confirmation at a meeting of the Committee following the passing of the circular resolution.

### **4. REPORTING**

- 4.1 The Committee will report to the KFima and FimaCorp Boards, identifying any matters within its remit in respect of which it considers an action or improvement is needed, and making recommendations as appropriate.
- 4.2 Minutes of each Committee meeting will be made available to the Boards.

### **5. OTHER MATTERS**

- 5.1 Ensure that proper processes and procedures are in place to comply with all relevant laws, regulations and rules which could have a significant impact on the implementation of the sustainability within the Group.
- 5.2 Undertake such other functions as may be determined by the Board(s) from time to time.
- 5.3 The Committee shall recommend any changes to its terms of reference in such manner as the Committee deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code of Corporate Governance, Bursa Malaysia Listing Requirements or any other regulatory requirements. It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the Committee's role.