

SEDANIA INNOVATOR BERHAD (“Sedania or the Group”) SUSTAINABILITY COMMITTEE (the “Committee”) TERMS OF REFERENCE (the “TOR”)

Overview

The objective of the Sustainability Committee (“Committee”) of Sedania is to assist the Board of Directors (“Board”) to align the day-to-day business activities with the corporate principles and compliance of Sedania’s practices relating to Environmental, Social and Governance (“ESG”) and Sustainable principles in accordance with applicable laws and frameworks as adopted by the Group.

Its core function is to review all policies and regulations related to sustainability at the Group level and to recommend the appropriate initiatives or programmes to the Board. The Sustainability Committee is supported by the Sustainability Management Committee which is tasked with implementing, monitoring and reporting sustainability management efforts across the relevant business divisions.

Authority of the Sustainability Committee

- (a) to investigate any activity and perform its duties as set out in its Terms of Reference with sufficient resources be provided in undertaking its duties at the expense of the Group;
- (b) seek any information that it requires from any employee of the Group and to be provided with full and unrestricted access to such information;
- (c) engage independent professionals and specialists and obtain professional advice or invite outsiders with relevant experience to attend the Sustainability Committee meetings and to advise the Committee, if the Committee deems it appropriate to carry out its functions under this Terms of Reference; and
- (d) have access to the Group’s resources, at the Group’s expense, to perform the Committee’s duties.

Composition

- (a) The Sustainability Committee membership shall be appointed by the Board, comprising no fewer than three (3) members, with majority representatives selected from the Board and one (1) representative selected from Company personnel.
- (b) The appointment of Sustainability Committee member shall automatically be terminated when the member ceases to be a Director or an employee of the Company, or as determined by the Board.
- (c) The Sustainability Committee Chairman shall be appointed by the Board. The Chairman of the Board shall not be the Sustainability Committee Chairman. In the absence of the Chairman, the members present shall elect a Chairman for the meeting amongst themselves.

Responsibilities

The Sustainability Committee shall: -

- (a) determine the appropriate sustainability framework and governance structure suitable for the Group, recommend sustainability strategies, assess and determine material sustainability matters relating to the group and review the necessary policies to achieve its goals.
- (b) oversee the integration of ESG and sustainability policies, practices and goals into the overall business strategy of the Group and ensure that ESG policies and principles are embedded within the strategies, decision making processes and operating systems and cycles of the Group.
- (c) review the implementation of procedures for identifying, assessing, monitoring and managing ESG and sustainability risks related to the Group's business on a periodic basis covering material sustainability matters identified.
- (d) review and formulate sustainability-related policies as well as short, mid, and long-term goals including key performance indicators (KPIs) used to measure progress based on the gap identified against relevant frameworks. The Committee shall review the goals and/or key performance indicators the Board(s) may establish from time to time for the Group's performance with respect to ESG matters and monitor the progress against those goals and/or key performance indicators.
- (e) Consider and recommend to the Board positioning on relevant emerging sustainability issues.
- (f) review annually the sustainable development targets and metrics against which Sedania's sustainable development performance can be evaluated and review annually reports on Sedania's performance against those targets.
- (g) receive reports from related representatives / departments on the implementation of policies and action plans within the Committee's scope.
- (h) monitoring the adequacy of resources allocated in achieving compliance with strategies, targets, policies and roadmaps pertaining to sustainability.
- (i) review the Sustainability Statement/ Report and recommend to the Board for approval.
- (j) perform such other functions and exercise such other powers as may be delegated to it from time to time by the Board

Meetings of the Sustainability Committee

- (a) The Chairman of the Sustainability Committee will be responsible for calling meetings of the Committee, establishing the agenda therefore and supervising the conduct thereof.
- (b) The Chairman of the Sustainability Committee or Secretary of the Committee on the requisition of the members, shall at any time summon a meeting of the Sustainability Committee by giving seven (7) days' advance notice or if the consent of all the members are obtained, by a shorter notice.
- (c) The Sustainability Committee shall meet on a quarter basis or more frequently as deemed necessary, to carry out its responsibilities as set forth herein. In order to form a quorum for a meeting of the Sustainability Committee, at least two (2) members must be present. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.
- (d) Only the Chairman and the members are to be present at a meeting of the Sustainability Committee. The Sustainability Committee may, at its discretion, request Board members, any officer or employee of the Group to attend a meeting of the Committee or meet with any members of, or consultants to, the Sustainability Committee.
- (e) The Sustainability Committee members 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.
- (f) The Company Secretary or his/her representative or other appropriate senior officer shall also be in attendance at each Sustainability Committee meetings and be responsible for keeping the minutes of meetings of the Sustainability Committee and circulating them to committee members and to the other members of the Board of Directors. The Secretary of the Committee shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.
- (g) The Sustainability Committee may deal with matters by way of circular resolutions in lieu of convening a formal meeting. A resolution in writing signed (include an electronic or digital signature) or approved by electronic mail, facsimile, or other electronic communication by all members in lieu of convening a formal meeting shall be as valid and effectual as it had been passed at a meeting of the Sustainability Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.

Reporting Responsibilities

- (a) The Chairman of the Sustainability Committee shall report to the Board on its proceedings after each meeting on all matters with its duties and responsibilities.
- (b) The Committee shall prepare where applicable, with the assistance of management, the necessary for inclusions in the annual report.
- (c) The Chairman of the Committee should attend the annual general meeting to address queries relating to the Committee's activities and matters within the scope of the Committee's responsibilities

Revisions of Terms of Reference

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.