

**TERMS OF REFERENCE FOR SUSTAINABILITY COMMITTEE**

**1. Objectives**

- 1.1 The Sustainability Committee of Lim Seong Hai Capital Berhad (“**Company**”) (“**Committee**”) was formed by the Board of Directors of the Company (“**Board**”). Its primary function is to assist the Board in fulfilling its responsibilities in overseeing the sustainability strategies, objectives, policies and practices of the Company and its subsidiaries (“**Group**”)
- 1.2 The Committee shall oversee the Company’s sustainable development responsibilities and support the Board in:
  - (a) Setting high-level direction for sustainable business practices; and
  - (b) Defining strategic focus to advance a sustainable business model across the Group.

**2. Composition**

- 2.1 The Board shall elect from amongst themselves, at least three (3) members of the Board to be the members of the Committee, a majority of whom shall be independent.
- 2.2 The Chairman of the Committee shall not be the Chairman of the Board and shall be an independent director and elected by its members.
- 2.3 No alternate director shall be appointed as a member of the Committee.
- 2.4 The appointment of the Committee member shall terminate when the member ceases to be a director. The Board may revoke the appointment of a Committee member and/or vary the term of appointment of a Committee member at any time as it deems fit.
- 2.5 If a member of the Committee resigns, dies or for any reason ceases to be a member of the Committee, the Board shall fill the vacancy within three (3) months.
- 2.6 The term of office and performance of the Committee and each of its members shall be reviewed by the Nomination and Remuneration Committee any time as it deems fit to determine whether the Committee and each of its members have carried out their duties in accordance with this Terms of Reference of the Committee.

**3. Meetings**

- 3.1 The Committee shall meet at least twice a year or more frequently as circumstances dictate. The Chairman of the Committee shall call for a meeting of the Committee if a request is made by any Committee member.
- 3.2 The quorum for a Committee meeting shall be two (2) members. In the absence of the Chairman of the Committee, the members present shall elect a Chairman for the meeting from the members present. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 3.3 Each member of the Committee is entitled to one (1) vote in deciding the matters deliberated in the Committee meeting.
- 3.4 The decision that gained the majority votes shall be the decision of the Committee.
- 3.5 In the event of an equality of votes, the Chairman of the Committee shall be entitled to a second or casting vote in addition to the votes to which he/she may be entitled as a member of the Committee.
- 3.6 The Committee may, as and when deemed necessary, invite the other Board members, senior management, employees of the Company and/or any external parties to attend specific meetings of the Committee.
- 3.7 The Secretary of the Committee (as detailed in Section 4 herein), with the concurrence of the Chairman of the Committee, shall prepare an agenda to be circulated together with the notice of meeting and relevant supporting documents, at least seven (7) days prior to each Committee meeting to the members of the Committee, except for meetings that may require to be conducted at short notice. Reasonable time should be given to the Committee members and other attendees, if any, to consider all relevant materials prior to the Committee meeting.
- 3.8 A meeting of the Committee shall normally be conducted in person to enable effective discussion. However, meetings may also be conducted through virtual means such as telephone conferencing, video conferencing or other methods of simultaneous communication by electronic or telegraphic means as determined by the Committee. The minutes of any meeting conducted as aforesaid signed by the Chairman of the Committee or the Chairman presiding the meeting (where applicable) shall be conclusive evidence of such meeting.
- 3.9 To avoid conflict of interest, a member of the Committee shall abstain from participating in discussions and deliberations on any matters involving him/her and/or person(s) connected to him/her.

**4. Secretary**

- 4.1 The Company Secretary shall act as Secretary of the Committee.
- 4.2 The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee and shall be responsible for the custody, production and inspection of such minutes.

**5. Reporting**

- 5.1 The Chairman of the Committee shall report to the Board on the proceedings of each meeting on all matters within its purview and shall also formally report to the Board on how it has discharged its responsibilities.
- 5.2 The Committee shall make whatever recommendations to the Board on matter within its purview to the Board as it deems appropriate where action or improvement is necessary in respect of any of such matters.
- 5.3 The Committee will review and approve a report by detailing the sustainability work during the year end and an annual plan for the upcoming year's activities, for inclusion in the Company Annual Sustainability Statement
- 5.4 The Committee shall submit an annual report to the Board, summarising the Committee's activities during the financial year on how it has discharged its functions and duties for that financial year and how it has met its responsibilities (including all related significant results and findings thereof as well as details of relevant training attended by each Committee member).

**6. Authority**

The Company shall ensure that wherever necessary and reasonable for the performance of its duties, the Committee shall, in accordance with the procedure determined by the Board and at the cost of the Company:

- 6.1 Have the delegated authority of the Boards in respect of the functions and powers within this Terms of Reference;
- 6.2 Have adequate resources required to perform its duties;
- 6.3 Have full and unrestricted access to any information pertaining to the Company or Group; and
- 6.4 Have direct communication channels with the external auditors and internal auditors, engage, consult and obtain the advice of the external legal or other independent professional and to secure the attendance of external parties with the relevant experience and expertise it considers necessary.

**7. Responsibilities and duties**

In fulfilling its objectives, the Committee supports the Board's oversight and accountability on the implementation of the Group's sustainability targets, policies and material matters and shall undertake the following responsibilities and duties:

- 7.1 To review final draft of Sustainability Statement submitted by the Sustainability Steering Committee ("SSC") for the recommendation to the Board for approval
- 7.2 To ensure the sustainability framework adopted by the group is in line with national regulation, Bursa Malaysia requirement and global frameworks
- 7.3 Oversee the Group's sustainability strategy, consider and approve proposals from SSC and Sustainability Working Group ("SWG") and recommend its adoption to the Board.
- 7.4 Assist the Board in overseeing matters pertaining to sustainability and climate change and review and recommend to the Board for adoption Sustainability-related policies and standards relevant to the Committee's scope
- 7.5 Monitor allocation of resources in achieving compliance with strategies, targets, policies and roadmap pertaining to the Group's sustainability agenda.
- 7.6 Consider any other matters relevant to sustainability that are referred to the Committee by the Board.

**8. Resolution in Writing**

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 Committee 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 the Committee members if transmitted to the Company by email, facsimile or other electronic means or digital written message/application to include a signature of the Committee members.

**9. Revision of the Terms of Reference**

The Terms of Reference of the Committee shall be reviewed and revised as necessary from time to time to determine its adequacy and relevance.

Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third party, shall first be presented to the Board for its approval.

Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

*(This Terms of Reference for the Sustainability Committee was approved and adopted by the Board on 27 August 2025)*