

# **Terms of Reference for Sustainability Committee**

**OSKH-CS-TOR-007-1**

**16 January 2024**

**OSK**

<b>OSK Holdings Berhad</b> [Registration No. 199001015406 (207075-U)]	<b>16 January 2024</b>
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## Revision History Log

Ver. No	Section	Section Name	Page	Details of Amendments	Effective Date	e-Circular No.
1	All	All	All	Document published	16 Jan 2024	OSKH/CS/CI R/009

## Glossary

Term	Description
“Board”	Board of Directors of OSK Holdings Berhad
“Committee”	Sustainability Committee
“ESG”	Environmental, Social and Governance
“Independent Director”	A Director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company and who satisfies the criteria for “independence” set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
“OSK”/ “the Company”	OSK Holdings Berhad
“OSK Group”/ “the Group”	Refers to OSK Holdings Berhad and its subsidiaries, collectively
“Policy”	Sustainability Policy
“SWG”	Sustainability Working Group, consisting of Chief Sustainability Officer, Heads of Business Units and Functional Groups

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## **A. TERMS OF REFERENCE**

### **A1. Sustainability Committee**

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- 1. Introduction**
- The Committee established by the Board, plays a pivotal role in supporting the Board to advance the Group's direction on sustainability including actively cultivating a strong and progressive sustainability culture within the Group.

<p><b>Note:</b> Refer to Sustainability Policy</p>
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- 2. Composition**
- The Committee shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members.
  - The composition of the Committee shall be approved by the Board.
- 3. The Chairman**
- The Committee shall be chaired by an Independent Director and elected by the members of the Committee from amongst their number.
  - In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst themselves.
- 4. Duties and Responsibilities of the Chairman**
- The Chairman leads the Committee in overseeing all matters related to corporate sustainability, with particular focus on ESG aspects. This includes fostering seamless collaboration among the SWG and the Board to advance the Group's sustainability agenda and cultivate a sustainability-centric culture within the organisation.
- 5. Reporting**
- The Committee shall report to the Board.

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End

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## **A. TERMS OF REFERENCE**

### **A2. Duties and Functions**

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- 1. Sustainability Committee**
- The following are the roles and responsibilities for the Committee:
    - Promote and encourage the Group’s commitment towards sustainability to the stakeholders and the wider community to cultivate a sustainability-centric culture within the Group.
    - Advise the Board on setting strategic sustainability directions and adopting sustainability-related policies while providing advisory oversight to the SWG through its decision-making in the processes and operational systems related to material sustainability matters.
    - Review the sustainability strategies, priorities and key performance indicators proposed by the SWG, and supervise the execution of the ESG initiatives.
    - Oversee the integration of sustainability risks and opportunities into the Group’s Enterprise Risk Management Framework, ensuring that the SWG diligently evaluates and implements appropriate risk responses to identified material sustainability issues.
    - Monitor and ensure effective implementation of the sustainability strategies and strategic management of material sustainability matters, risks and opportunities with respect to engaging stakeholders, assessing materiality, establishing policies, setting goals and measuring performance.
    - Review sustainability disclosure statements in the Sustainability Statement and/or Sustainability Report to allow effective communication of the Group’s sustainability initiatives and outcomes to investors and other stakeholders, in alignment with regulatory requirements.
    - Review sustainability-related issues highlighted in independent audits and assurance reports, as well as any concerns highlighted by auditors and/or consultants.
    - Keep abreast with developments in relevant laws, regulations and trends relating to sustainability and climate change that might impact the Group’s operations, provide guidance and recommendations for action plans where applicable.

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End

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## **A. TERMS OF REFERENCE**

### **A3. Authority**

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#### **1. General**

- The Committee shall within its terms of reference:
  - have the resources which are required to perform its duties and be provided with relevant information on a timely basis;
  - have full and unrestricted access to any information pertaining to the sustainability matters of the Group and the Company in carrying out its duties;
  - have the authority to investigate any matter within its terms of reference;
  - be able to obtain independent professional or other advice; and
  - be able to convene meetings with external parties, whenever deemed necessary.

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End

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## **A. TERMS OF REFERENCE**

### **A4. Meetings & Minutes**

#### **1. General**

- The Committee shall preferably meet on a quarterly basis, but in any event, no less than four (4) times a year, or whenever deemed necessary.
- Prior notice shall be given for the Committee meetings.
- The quorum consists of two (2) members present or 50% of the total members, whichever is higher.
- The Committee is allowed to carry out the resolution by way of circulation. A circular resolution signed or approved by facsimile, letter, telegram, telex or telefax or other written electronic communications by a majority of the members of the Committee and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted. All such resolutions shall be described as "Committee Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by the Secretary in the Company's minute book. Any such resolution may consist of several documents in like form, each signed by one (1) or more Committee members.
- The Committee may meet together for dispatch of business, adjourn, and otherwise regulate their meetings as they think fit by means of any communication technology by which all persons participating in the meeting are able to hear and be heard by all other participants without the need for a member to be in the physical presence in the meeting. The member participating in any such meeting shall be counted in the quorum for such meeting. All resolutions agreed by the member in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the members duly convened and held.
- Resolutions, proposals and matters tabled for approvals at any meeting of the Committee shall be decided by a simple majority of the members present. One (1) member shall have one (1) vote. In case of equality of votes, the Chairman of the Committee shall have a second or casting vote.
- Other directors and relevant management personnel may be invited to attend the Committee meeting.
- The member is required to make declaration and abstain from deliberations and voting in respect of any matter which may give rise to conflict of interest or potential conflict of interest situation. The interested member shall be counted as part of the quorum of the meeting.

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- The Company Secretary shall act as Secretary to the Committee and shall be responsible for taking the minutes of meetings, keeping the minutes and to produce the minutes for inspection when necessary.
  - The Secretary, in consultation with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers to each Committee member prior to the Committee meeting.

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End



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## **A. TERMS OF REFERENCE**

### **A5. Review of the Terms of Reference**

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#### **1. General**

- The members of the Committee will assess, review and update the terms of reference at least once every three (3) years or as and when there are changes to the regulatory requirements, direction or strategies of the Company that may affect the Committee's roles.
- The Committee will recommend changes for the approval of the Board.
- In the event the regulatory requirements are amended, modified or varied, such amendments, modifications or variations shall be deemed inserted herein whereupon this Terms of Reference shall be read and construed accordingly.

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End