

POWERTECHNIC GROUP BERHAD

Registration No. 202101015445 (1415745-D)

(Incorporated In Malaysia)

TERMS OF REFERENCE FOR THE SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

The Sustainability and Risk Management Committee (“SRMC” or “the Committee”) of POWERTECHNIC GROUP BERHAD (“Powertechnic or the “Company”) is a sub-committee of the Board of Directors (“Board”)’s Audit and Risk Management Committee (“ARMC”) established pursuant to Clause 145 of the Company’s Constitution.

I. COMPOSITION & APPOINTMENT

1. The members of the SRMC shall be appointed by the ARMC and comprise of at least four (4) members or such number as may be determined and appointed by the ARMC from:
 - Members of the ARMC or Board; and
 - Representatives of key senior management

Including the managing director as chairman of SRMC (“Chairman”).

2. The SRMC may call upon and include any key senior management to assist and contribute to the effective functioning and discharge of the SRMC’s responsibilities.

II. DUTIES AND RESPONSIBILITIES

1. To ensure that the sustainability strategy, priorities and targets of the Company and all its subsidiaries (“the Group”) are aligned with the Group’s vision and mission statement and are embedded in and functions effectively throughout the Company and its subsidiaries (collectively referred to as (“Powertechnic Group” or “the Group”).
2. To develop strategies suited to the sustainability agendas and ensure that the current standing and the response of the sustainability matters of the Group remains relevant taking into consideration any changes to the sustainability matters including climate-related risks and opportunities.
3. To identify the material sustainability matters’ indicators, the establishment of the target and review of sustainability disclosures as required by ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), laws and/or rules, and recommending it to the ARMC for review.
4. To monitor progress towards improving sustainability performances and report the sustainability process and results of sustainability matters identified by SRMC to the ARMC for review.
5. To conduct periodic reviews of the material sustainability matters of the Group (at least on an annual basis or more often where circumstances require) and determine the adequacy of the response and the current status of the material sustainability matters and report the review results and recommendations to the ARMC for consideration.

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6. To continuously identify the potential sustainable risk and opportunity of changes in the sustainable matters and to formulate action plan(s) to manage the sustainable matters or changes identified in line with the Sustainability Policy approved by the Board for ARMC review.
7. To provide appropriate advice and recommendations on the material risk issues, and ensure that risk management strategies, a framework, policies, processes, tolerance and risk appetite are in place for the timely identification, mitigation and management of such key risks which may have material impact on the Group and provide overall direction and decisions on sustainability governance, strategy, initiatives, performance and processes.
8. Review the Group's risk profile on a periodic basis and ensure that significant risks that are outside tolerable ranges are being responded to with appropriate actions taken in a timely manner.
9. Review and assess the adequacy and effectiveness of the risk management structure, approved risk policies, processes, and support system on a periodic basis and ensure that significant risks that are outside tolerable ranges are being responded to with appropriate actions taken in a timely manner and to recommend such changes as may be deemed necessary to the ARMC.
10. To ensure that sustainability matters were identified and the target remained relevant and to continuously monitor its achievement.
11. To provide awareness and education on sustainability management to all levels of the Group.
12. To ensure adequate resources are maintained in order to carry out its functions and responsibilities.
13. To submit an Annual Sustainability and Risk Report on the activities and recommendations on Material Sustainability matters and Risk Management issues to the ARMC.

III. AUTHORITY

The SRMC has been entrusted by the Board with the task of implementing and overseeing the sustainability strategy, policy and risk management, the SRMC is vested with the following authorities: -

1. have the resources which are required to perform its duties;
2. have full and unrestricted access to any information pertaining to the Company and Group it requires in the course of performing its duties;
3. have direct communication channels with the ARMC, executive directors and heads of department as the case may be, to obtain information and feedback in performing its duties; and

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4. to obtain the services of external professionals or other advice at the expense of the Group in carrying out its duties, if necessary.

IV. PROCEDURE OF THE SRMC

1. The SRMC may meet together for the despatch of business, adjourn and subject to Clauses 145 to 147 of the Company's Constitution, otherwise regulate their meetings as they think fit, provided that the SRMC shall meet at least once in a calendar year.
2. A member of the SRMC, may participate in a meeting of the SRMC by means of a conference telephone, electronic or any communication facilities which allows all persons participating in the meeting to hear each other. A participant shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly notwithstanding the fact that he is not physically present at the venue where the meeting is to be held. The meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
3. Any member of the SRMC may at any time and the Secretary shall on such request summon a meeting of the Committee.
4. At least seven (7) days' notice of a meeting of the SRMC shall be given to all SRMC Members. The SRMC Members may meet on shorter notice and waive notice of any meetings as they deem necessary subject to the consent and agreement of all SRMC Members.
5. The quorum necessary for the transaction of business shall be three (3) members.
6. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.
7. The SRMC shall cause minutes to be duly entered into books provided for the purposes:-
 - i) of the names of all SRMC members and other participants at each meeting of the SRMC;
 - ii) of all resolutions and proceedings of SRMC meetings; and
 - iii) of all orders, recommendations and reports made by the SRMC.

Such minutes shall be signed by the Chairman of the SRMC at which the proceedings were held or by the Chairman of the next succeeding meeting, and if so signed, shall be conclusive evidence without any further proof of the facts therein stated.

8. The books containing the minutes of proceedings of the SRMC shall be kept by the Company at the registered office of the Company subject to the provisions of the Companies Act 2016, relating to the keeping of minutes of the Board and any committee of the Board.

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V. SECRETARY

1. The secretary of the SRMC (“Secretary”) shall be appointed from among the members of the SRMC or such other person as the SRMC shall decide from time to time.
2. The Secretary shall minute the proceedings and decisions of the SRMC’s meetings and the minutes shall be circulated to the members of the SRMC, ARMC and the Board. The Secretary shall keep the minutes of the SRMC meetings. The minutes shall be open for inspection by any member of the SRMC, ARMC and the Board.

VI. GOVERNANCE

1. The SRMC shall make available to the new members of the SRMC a suitable induction/introduction process and, for existing members of the SRMC.
2. During its decision making, the SRMC shall take into account any relevant legal or regulatory requirements, best practice guidance and the risk and reputation of the Company with respect to its decisions.

VII. REVIEW

The SRMC shall review the adequacy and relevance of the Terms of Reference in the light of new best practices and new legal or regulatory requirements, at least once every three (3) years or as and when the need arises to keep it current and relevant at all times.

This Terms of Reference for the Sustainability and Risk Management Committee was approved and adopted by the Board on 27 November 2024.