

BOARD SUSTAINABILITY COMMITTEE

TERMS OF REFERENCE



**AYER HOLDINGS BERHAD
190701000003 (37-K)**

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1. Purpose

- (a) The Board Sustainability Committee (the "BSC") is established by the Board of Directors (the "Board") of Ayer Holdings Berhad ("the Company") and its subsidiaries ("Group") to oversee and guide the Group in integrating sustainable practices, managing risks associated with the property development and palm oil industries, and promoting responsible corporate citizenship.
- (b) The BSC will provide recommendations and guidance to the Board regarding the Group's sustainability goals, strategies, policies and performance in accordance with all relevant laws and regulations.

2. Composition and Appointment

- (a) The BSC members shall be appointed by the Board from amongst their number and shall consist of a minimum of three (3) members, all of whom shall be Non-Executive Directors.
- (b) No alternate Director shall be appointed as a member of the BSC.
- (c) The Chairman of the BSC shall be elected from amongst the BSC members and must be a Non-Executive Director approved by the Board. The Chairman of the BSC is required to attend the annual general meeting to answer shareholder questions.
- (d) The Chairman of the Board shall not be a member of the BSC.
- (e) Members of the BSC shall have knowledge, expertise and/or experience in the areas of sustainability, ESG and related matters as well as familiarity with all relevant laws and regulations.
- (f) The terms of office and performance of the BSC and each of its members shall be reviewed by the Board annually to determine whether such BSC and members have carried out their duties in accordance with the terms of reference.
- (g) The Board shall also review the composition, performance and effectiveness of the BSC and each of its members annually to ensure that the BSC has the right composition and sufficient, recent and relevant skills and expertise to effectively fulfil their roles.

3. Authority

The BSC has authority to:

- (a) Have full and unrestricted access to all information and resources within the Group to perform its duties including investigation of significant matters.
- (b) Appoint external parties for the purposes of obtaining independent professional advice, expertise and services if the BSC consider it as necessary.
- (c) Invite any employees/Directors of the Group or external parties engaged by the Group to attend BSC meetings if the BSC deems necessary.
- (d) Provide recommendations, including changes in policies and procedures, to the Board for decision making as required.

4. Responsibilities and Duties

The responsibilities and duties of the BSC shall include, but not limited to, the following:

- (a) Review and assess the sustainability risks to be prioritized within the property development business and palm oil business of the Group.
- (b) Develop and implement strategies to mitigate environmental and social impacts brought by the business activities of the Group.

- (c) Regularly review and enhance the Group's corporate policies related to sustainability.
- (d) Monitor compliance with environmental regulations and industry best practices applicable to the Group.
- (e) Review and provide input on the Group's sustainability reporting, including reviewing the Sustainability Statement in the Annual Report of the Company to ensure that disclosure in the Sustainability Statement complies with the Sustainability Reporting Framework mandated under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (f) Provide oversight of the Group's engagement with stakeholders on sustainability matters, including shareholders, employees, customers, suppliers and other relevant parties.
- (g) Oversee the Sustainability Working Committee and the sufficiency of the resources of the Committee for the Committee to perform its function effectively.
- (h) Provide regular updates to the Board on the BSC's activities, findings and recommendations, including any material risks or opportunities related to sustainability.

5. Quorum and Conduct of Meetings

- (a) The quorum for a meeting of the BSC shall be two (2) members.
- (b) The BSC shall convene a meeting at least four (4) times in the financial year. Additional meetings may be called as needed to address emerging sustainability issues.
- (c) The management team of the Company will ensure that the BSC receives information and papers timely to enable full and proper consideration on all matters.
- (d) BSC meetings shall be conducted in accordance with the provisions of the constitution of the Company governing the proceedings of the Board meeting.
- (e) The minutes of the meeting shall be circulated to all members for review and signed by the Chairman of the BSC as correct record of the proceedings of the meeting. The minutes of the meeting duly approved by the BSC will be circulated to the Board of Directors for notation.
- (f) The Chairman of the BSC shall report formally to the Board, at each Board meeting, on the proceedings of the BSC since the previous Board meeting.
- (g) A meeting of the BSC shall be conducted either face-to-face or via telephone conferencing, video conferencing or other appropriate means as determined by the BSC. Such participation in a meeting shall constitute presence in person at such meeting.
- (h) The BSC may from time to time, consider and/or recommend relevant matters for approval via a circular resolution in writing, which will be deemed as valid and effectual.

6. Review of the Terms of Reference

The BSC shall recommend any changes to its terms of reference in such matters as the BSC deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated where necessary if there are any compulsory changes required in accordance with any legislation, regulations, directives or order in law. It shall also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the BSC's role.

This BSC Terms of Reference was approved at the Board meeting on 15 December 2023.

[END OF TERMS OF REFERENCE]