



Board Sustainability & Risk Committee Terms of Reference

Revised on 12 November 2024

1.0 PURPOSE

- 1.1 The Board Sustainability & Risk Committee (“BSRC”) shall assist the Board in fulfilling its oversight responsibility by:
- 1.1.1 Overseeing MHB’s’ risk management framework, policies and practices; and
 - 1.1.2 Overseeing MHB’s sustainability matters including environment, social and governance (“ESG”).

2.0 COMPOSITION

- 2.1 Upon recommendation of the Board Nomination & Remuneration Committee, the BSRC shall be appointed by the Board amongst its non-executive directors and shall consist of not less than three (3) members, with the majority comprising Independent Directors. The Chairman of the Board shall not be a member of the BSRC.
- 2.2 In the event of any vacancy in the BSRC where membership falls below three (3), the vacancy must be filled within three (3) months or within such extension period approved by the Board.
- 2.3 At least one (1) member of the BSRC must also be a member of MHB Board Audit Committee. This is to foster a common understanding of the risk management and internal control system and in ensuring co-ordination between the various standing Board Committees of MHB in its sustainability and risk oversight roles.
- 2.4 No Alternate Director of the Board can be appointed as a member of the BSRC. The appointment of a Committee member shall automatically be terminated if the member ceases to be a director for any reason whatsoever or as determined by the Board.
- 2.5 If a member is unable to attend any meeting, the Committee Chairman/Elected Chairman of the BSRC may invite another Independent Non-Executive Director (“INED”) of the Company to attend the meeting and such invited INED shall have the rights and authorities of a BSRC member.

3.0 CHAIRMAN

- 3.1 The Board shall appoint a Chairman of the BSRC from among the BSRC members who must be an INED.
- 3.2 Should the Chairman be absent from any meeting, one (1) of the members who is an INED shall be elected as Chairman ("Elected Chairman") by the BSRC members present at the meeting.

4.0 SECRETARY

- 4.1 The Secretary to the BRSC shall be the Company Secretary(ies) of MHB.
- 4.2 The Secretary shall prepare the agenda of the BSRC meeting in consultation with the Managing Director & Chief Executive Officer ("MD & CEO") and the Chairman of the Committee.

5.0 MEETINGS

5.1 Frequency of meeting

- 5.1.1 The BSRC shall hold meetings every quarter and additional meetings may be held as and when required.
- 5.1.2 The MD & CEO, the Chief Financial Officer, the Chief Operating Officer and Chief Strategy & Sustainability Officer shall normally attend the meetings. Attendance of other Directors, employees or other attendees at any BSRC meeting shall be at the discretion of the BSRC Chairman/Elected Chairman, specific to the relevant meeting.

5.2 Quorum

- 5.2.1 The quorum for each meeting shall be two (2) members who shall both be Independent Directors.

5.3 Meeting Proceeding and Minutes

- 5.3.1 The notice and agenda of each meeting shall be sent by the Secretary of the Committee to all members of the BSRC and any other persons that may be required to attend.
- 5.3.2 Each member of the BSRC is entitled to one (1) vote in deciding the matters deliberated in the meeting. The decision that gained a majority of the votes shall be the decision of the BSRC. In the event of an equality of votes, the Chairman of the BSRC shall be entitled to a second or casting vote.
- 5.3.3 The proceedings of the BSRC meetings shall be recorded and maintained by the Secretary of the Committee or a person appointed by the BSRC. Minutes of each meeting shall be distributed to each member of the BSRC and be tabled to the Board for information. The BSRC shall report and may make such recommendations to the Board on matters within the powers vested in it by the Board, as it may think fit.
- 5.3.4 A member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

6.0 CIRCULAR RESOLUTIONS

- 6.1 A resolution in writing signed by all BSRC members who are eligible to vote shall be as valid as if it were passed at a properly held meeting. These resolutions are called "Board Sustainability & Risk Committee's Circular Resolutions" and can be made up of several documents in the like form. The signed resolutions must be promptly sent to the Secretary, who will record them in the Company's minutes book. A BSRC resolution in writing, signed and transmitted by facsimile or any electronic means shall be deemed to be original.

7.0 AUTHORITY

The BSRC is empowered by the Board with the following authority to execute any matters within its terms of reference ("TOR") at the cost to be borne by MHB:

- 7.1 Full and unrestricted access to resources and information which are required to perform its functions. This includes authority to seek information from any employees of the Group. Employees subjected to such request may be directed by the BSRC to co-operate with the request.
- 7.2 Right to obtain independent professional advice or other advice. The BSRC may also invite external independent professionals to its meetings if it deems necessary; and
- 7.3 Right to review its TOR and to recommend amendments, revisions and updates thereto, where necessary in line with changes to the relevant laws, the prevailing corporate governance best practices or other regulatory requirements, to the Board for approval.

8.0 FUNCTIONS

The BSRC's functions are to review, evaluate, report and make appropriate recommendations to the Board on the following matters:

8.1 Risk Management and Bid Review and Recommendation

- 8.1.1 Adequacy and effectiveness of MHB's Risk Management Framework and the on- going activities in managing risk (including identifying, evaluating, monitoring, mitigating risks and reports on key strategic and business risks);
- 8.1.2 Provides oversight, reviews and approves MHB's risk profile, ensuring it reflects the strategic objectives, assesses emerging risks, and ensures that key risks are identified, mitigated, and managed in alignment with the Company's risk appetite and strategic priorities.

- 8.1.3 Review, approve or recommend to the Board, the bid proposal decisions for projects in accordance with the thresholds as outlined in the MHB Group Limits of Authority (“LOA”).
- 8.1.4 Provides oversight, review and approve Risk Assessments in Decision-Making (“RADM”) conducted by Risk Management Department on business proposals and new initiatives as outlined in the MHB Group LOA manual including, but not limited to:
 - 8.1.4.1 merger & acquisition, divestment and joint-venture proposals including incorporated and unincorporated joint-ventures, consortiums, partnerships and collaborations, where applicable;
 - 8.1.4.2 financial-related decisions (e.g. financing);
 - 8.1.4.3 country-related decisions (e.g. entry or exit management);
 - 8.1.4.4 key capital projects;
 - 8.1.4.5 new business ventures or special/non-core business projects (including international projects requiring physical work/activities overseas); and
 - 8.1.4.6 commercial transactions with material complexity and exposure.
- 8.1.5 Determination of MHB’s level of risk tolerance; and
- 8.1.6 Any others matter as defined by the Board or Board Committees as well as feedback from Management or the Risk Council and the external or internal auditors on the effectiveness of MHB’s Risk Management Framework.

8.2 Sustainability

- 8.2.1 Determination and management of MHB’s sustainability related risks and opportunities in alignment with its business strategy; and

- 8.2.2 Any other matters related to sustainability as defined by the Board or Board Committees

8.3 General Duties

- 8.3.1 Review and recommend relevant statements relating to risk management and sustainability for inclusion in the Company's Annual Report, for the Board's approval.
- 8.3.2 Undertake such other functions as may be determined by the Board from time to time

