Terms of Reference of the Sustainability Committee of Duopharma Biotech Berhad

Version: 4.0

Effective Date: 28 August 2018

Reference No: Duopharma Biotech/TORHSC/04

Updated: 18 August 2026

Sustainability Committee of Duopharma Biotech Berhad

Terms of Reference

This Terms of Reference sets out the matters concerning the governance of the Sustainability Committee ("SC" or the "Committee").

1. Purpose

1.1 The purpose of the SC is to assist the Board of Directors ("Board") in providing oversight and stewardship to Duopharma Biotech Berhad ("Duopharma Biotech" or the "Company") and its subsidiaries (collectively referred to as the "Group") on the Group's sustainability agenda.

1.2 In the exercise of its functions, it is understood that the SC is not delegated with decision-making powers but shall report its recommendations to the Board for decision. The existence of the SC does not diminish the Board's ultimate statutory and fiduciary responsibility for the decision-making relating to the functions and duties of the Committee.

2. Composition

2.1 Size

The Committee shall comprise at least three (3) members.

2.2 Membership

All the Committee members shall be Non-Executive Directors. The Chairman of the Board shall not be a member of the Committee *(Practice 1.4, Malaysian Code on Corporate Governance)*.

2.3 Chairman of the Committee

The Chairman of the Committee shall be a Non-Executive Director. Before appointment as Chairman of the SC, it is desirable for the appointee to have served on the SC for an appropriate period.

2.4 Secretary of the Committee

The Secretary of the Committee shall be the Company Secretary or his or her representative.

3. Appointment of members

3.1 The Nomination & Remuneration Committee ("NRC") shall recommend the appointment of SC members to the Board.

3.2 Members shall be appointed based on their ability to devote time, character, integrity, competence and experience relevant to their duties within the SC.

3.3 The members serving the Committee shall be changed at appropriate and regular intervals. In order to ensure that the entire Committee is not replaced at any one time and the change does not affect the composition in terms of compliance with legislative promulgations (if any), such change of members shall be done on a progressive basis.

4. Performance Evaluation

4.1 The effectiveness of the SC as a Board Committee (including skills mix and contribution of members) shall be assessed annually by the NRC.

5. Duties of the Chairman of the Committee

5.1 The key duties of the Chairman of SC shall include the following:

(a) Plan and conduct the SC meetings;

(b) Ensure that the SC meetings are run efficiently and each agenda item is thoroughly and thoughtfully discussed by all members of the committee;

(c) Encourage open discussion during meetings;

(d) Oversee reporting to the Board; and

(e) Act as the key contact between the Committee members and members of the Board and maintain active ongoing dialogue with Management and both key internal and external stakeholders.

5.2 The Chairman of SC together with other members of the Committee shall also ensure, amongst others, the following:

(a) The Committee shall provide an independent review on the effectiveness and efficiency of the Group's sustainability strategy, initiatives, performance and disclosures, and recommends improvements to support long term value creation and sustainable business practices;

(b) The Committee appropriately communicates to the Board and Management its insights, views and concerns on matters that may have an effect on the Group's sustainability agenda; and

(c) The Committee monitors overall Group's ESG, and Occupational Health and Safety.

5.3 There is coordination with other Board Committees to avoid overlaps or duplications and/or synchronize approaches/activities in the overall Sustainability stewardship process and other Board Committees' processes.

6. Duties of the Committee

Subject to any resolution of the Board, the duties of the Committee are:

6.1 To carry out the following in relation to the **Group's sustainability matters** which include to:

(a) Review the alignment of ESG efforts undertaken by the Group vis-à-vis the strategic context and expectations of stakeholders;

(b) Oversee the effective management of stakeholder engagement with regards to the pursuit of strategic ESG goals;

(c) Review and recommend to the Board the effectiveness of the Sustainability and ESG framework or strategy, including policies relating to the health and safety practices of the Group, ESG-related targets, external commitments and key performance indicators to measure the Group's performance and the internal and external recognition of its ESG performance;

(d) Oversee the Group's alignment with the relevant regional, national and international sustainability declarations as well as compliance to sustainability-related sanctions imposed by the United Nations or Malaysian government;

(e) Oversee the Group's Health, Safety and Environment related matters;

(f) Monitor the Group's Operation Excellence functions carried out by the Sustainability Department;

(g) Monitor public policy as well as better practices relating to ESG that may affect the Group's business operations, performance and reputation;

(h) Consider and recommend to the Board on positioning and responses in relation to emerging ESG developments and risk factors;

(i) Review proposals submitted by shareholders on ESG matters;

(j) Review the suggested appointment, fees and scope of independent/external professional advisors as proposed by the Sustainability Department;

(k) Review, approve and report the same to the Board the Group's strategies and processes pertaining to business continuity management;

(l) Review and oversee the implementation of the Group's ESG strategy to reduce climate change impact and improve Duopharma Biotech overall efficiency;

(m) Oversee disclosures relating to sustainability considerations in accordance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Code on Corporate Governance, the Companies Act 2016, and/or the requirements of the Companies Commission of Malaysia;

(n) Review and oversee the Group's digitalisation and AI strategy, governance framework and key initiatives, including digital transformation programmes, and monitor progress against strategic objectives and intended business outcomes;

(o) Oversee the governance, adoption and responsible use of AI within the Group, including AI-related opportunities, risks, ethical considerations, regulatory developments, and implementation of appropriate controls and safeguards;

(p) Review and monitor emerging technological trends and developments in digitalisation and AI that may impact the Group's strategy, operations, competitiveness, sustainability objectives and long-term value creation; and

(q) Review and report to the Board on significant digitalisation and AI matters, including key developments, opportunities, risks and recommendations, where appropriate.

6.2 To carry out the following:

(a) The SC may undertake to perform any additional functions delegated to it by the Board from time to time; and

(b) Approve and report the same to the Board the appointment of consultants in relation to matters that fall within the duties of the SC, where such appointment exceeds the Chief Executive's or Management's limits of authority. For the purpose of this Terms of Reference and unless the context otherwise requires, the phrase "Chief Executive" means the principal executive officer of Duopharma Biotech Berhad for the time being, by whatever name called, and whether or not he is a director.

7. Meetings

7.1 Meeting frequencies and calling of meetings

(a) The Committee shall meet on a quarterly basis, or as frequently as the circumstances dictate; and

(b) Additional meetings shall be scheduled as considered necessary by the Committee or Chairman of the SC. The Chairman of the Committee shall call for a meeting if requested to do so by the Chairman of the Board or requested by another member of the Committee.

7.2 Quorum and participation

(a) The quorum for the Committee shall be two (2) members;

(b) In the event the Chairman is unable to be present for a meeting, the members who are present at the meeting can appoint a Chairman among themselves to chair the meeting;

(c) Each individual Committee member shall attend at least 50% of the Committee meetings held during the financial year;

(d) The Committee may request other Directors, members of Management, counsels or consultants to attend the Committee meetings by invitation if necessary; and

(e) The meetings shall convene in a face-to-face manner or remotely (i.e., via virtual means). The member shall ensure all deliberations or information being communicated remotely is treated with confidence, and he/she shall prevent any leakage of information/materials to any third party.

7.3 Notice on meetings and information flow

(a) Notice of the Committee's meeting shall be sent to all members in a timely manner, which should include the date, time, venue and the agenda of the meeting *(Paragraph 4 - notice on meetings, Third Schedule of Companies Act 2016)*;

(b) The SC meeting agendas shall be developed by the Chairman of the HSC and the Secretary in consultation with Management;

(c) The Chairman of the SC together with the Company Secretary shall ensure that sufficient information such as the agenda and accompanying meeting materials for each meeting are circulated at least five (5) business days before each meeting to the Committee members and all those who are invited to attend the meeting, where applicable *(Guidance to Practice 1.6, Malaysian Code on Corporate Governance)*.

7.4 Voting

(a) A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes cast and in the event of an equality of votes, the Chairman of the meeting has the casting vote. A member of the Committee, who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall not participate in the voting process.

(b) Any resolution in writing, signed or assented to by the majority of the members of the SC shall be as valid and effectual as if it had been passed at a meeting of the SC duly called and constituted and may consist of several documents in the like form each signed by one or more of such members.

7.5 Circular Resolution

(a) A circular resolution in writing shall be valid and effectual as if it had been passed at a meeting of the SC when it is approved and signed by a majority of the SC members.

7.6 Meeting minutes

(a) The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee *(Paragraph 13, Third Schedule of Companies Act 2016)*;

(b) The minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive and contemporaneous evidence without any further proof of the facts thereon stated;

(c) All members should ensure that the meeting minutes accurately reflect the deliberations and decisions of the Committee, which includes any dissenting comments made as well as abstention of the members *(Guidance to Practice 1.6, Malaysian Code on Corporate Governance)*; and

(d) The reproduction of any parts of the meeting minutes shall only be performed through or by the Secretary.

7.7 Reporting and disclosure

(a) The report of each Committee meeting shall be tabled and presented to the Board during the subsequent Board meeting to keep them informed and updated on the key issues deliberated by the Committee.

7.7 The SC must provide, in the Company's annual report, a statement about its activities in the discharge of its duties for the financial year *(paragraph 15.08A of Main Market Listing Requirements by Bursa Malaysia Securities Berhad)*.

8. Authority

8.1 Unless otherwise provided by or subject to any applicable laws or legislative requirements, the Committee shall have the permission to obtain resources needed to fulfil its duties and responsibilities as set out in this Terms of Reference at the expense of the Group, such as:

(a) to obtain professional and independent advice from external advisors with relevant knowledge and experience, either through the Chief Executive's or the Company Secretary's office, when it is deemed necessary; and

(b) full and unrestricted access to information concerning the Group.

(paragraph 15.04 of Main Market Listing Requirements by Bursa Malaysia Securities Berhad)

9. Review and amendments of the Terms of Reference

9.1 This Terms of Reference has been approved by the Board. The Board shall review this Term of Reference periodically and make amendments when necessary; and

9.2 The Company Secretary shall ensure that the provisions of this Terms of Reference continue to comply with legal requirements and corporate governance enumerations applicable to the Group and, if necessary, shall suggest amendments to the Terms of Reference for consideration by the Board.

Version	Release Date	Summary of Changes	Prepared by	Reviewed by	Approved by
1.0/2018	**27.08.2018**	**Adoption of Terms of Reference of the Halal Committee**	**Group Legal and Secretarial Department**	-sgd.- **Encik Leonard Ariff bin Abdul Shatar, Group Managing Director** -sgd.- **Encik Ibrahim Hussin Salleh, Chief Legal**	-sgd.- **YBhg. Tan Sri Datin Paduka Siti Sa'diah binti Sh Bakir, Non-Independent Non-Executive Chairman, Duopharma Biotech Berhad** -sgd.- **YBhg Datuk Nik Moustpha bin Hj Nik Hassan,**

Version	Release Date	Summary of Changes	Prepared by	Reviewed by	Approved by
				Officer and Group Company Secretary	**Chairman of the Halal Committee of Duopharma Biotech Berhad**
2.0/2022	**17.05.2022**	**Adoption of the revised Terms of Reference of the Halal and Sustainability Committee**	**KPMG Management & Risk Consulting Sdn Bhd (KPMG MRC)**	-sgd.- **Encik Leonard Ariff bin Abdul Shatar, Group Managing Director** -sgd.- **Encik Ibrahim Hussin Salleh, Chief Legal Officer and Group Company Secretary**	-sgd.- **YBhg. Tan Sri Datin Paduka Siti Sa'diah binti Sh Bakir, Non-Independent Non-Executive Chairman, Duopharma Biotech Berhad** -sgd.- **YBhg Datuk Nik Moustpha bin Hj Nik Hassan, Chairman of the Halal and Sustainability Committee of Duopharma Biotech Berhad**
3.0/2023	**24.08.2023**	**Adoption of the revised Terms of Reference of the Halal and Sustainability Committee**	**Group Legal and Secretarial Department**	-sgd.- **Encik Leonard Ariff bin Abdul Shatar, Group Managing Director** -sgd.- **Encik Ibrahim Hussin Salleh, Chief Legal Officer and Group Company Secretary**	-sgd.- **YBhg. Tan Sri Datin Paduka Siti Sa'diah binti Sh Bakir, Non-Independent Non-Executive Chairman, Duopharma Biotech Berhad** -sgd.- **YBhg Datuk Nik Moustpha bin Hj Nik Hassan, Chairman of the Halal and Sustainability Committee of Duopharma Biotech Berhad**

Version	Release Date	Summary of Changes	Prepared by	Reviewed by	Approved by
4.0/2026	**18.08.2026**	**Adoption of the revised Terms of Reference of the Sustainability Committee**	**Group Legal and Secretarial Department**	-sgd.- **Encik Wan Amir-Jeffery Bin Wan Abdul Majid, Group Chief Executive Officer** -sgd.- **Encik Ibrahim Hussin Salleh, Chief Legal Officer and Group Company Secretary**	-sgd.- **YBhg. Datin Paduka Kartini Binti Hj Abdul Manaf** -sgd.- **YBhg Dato' Adnan Pawanteh, Chairman of the Sustainability Committee of Duopharma Biotech Berhad**