CIMB Group Holdings Berhad

TERMS OF REFERENCE OF BOARD GROUP SUSTAINABILITY COMMITTEE

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1. OBJECTIVE

The primary objective of the Board Group Sustainability Committee (Committee/BGSC) is to assist the Board of CIMB Group Holdings Berhad (CIMB) and the Boards of its subsidiaries (collectively the Group) in discharging the following responsibilities:

- Champion a culture of ethical conduct and sustainability as core values across the Group.
- Provide strategic oversight, counsel and direction in formulating, executing and monitoring the Group's strategies, frameworks and policies pertaining to sustainability and other material matters – including, but not limited to, climate change as well as corporate responsibility.
- Oversee the management of risks related to sustainability and associated domains, including the administration of consequence management for any breaches thereof.

2. SIZE AND COMPOSITION

2.1. The Committee shall:

(a) have at least three (3) Directors,

(b) comprise a majority of Independent Directors,

(c) be chaired by an Independent Director who is not the Chairperson of the Board, and

(d) comprise Directors who possess the necessary skills, knowledge, and experience that align with the Committee's responsibilities.

3. SECRETARY

3.1. The Company Secretary and/or his/her nominee(s) shall act as Secretary to the Committee.

3.2. Minutes of Committee meetings shall be kept and circulated to all members of the Committee. The Committee shall brief the Board on key matters and concerns discussed, and where appropriate, provide relevant recommendations for the Board's consideration.

4. MEETINGS

4.1. The Committee shall meet at least four (4) times a year. Additional meetings may be called at the discretion of the Chairperson.

4.2. At least two-thirds (2/3) of the number of Directors must be present to form a quorum, majority of whom shall be Independent Directors.

4.3. In the event the Chairperson is not present within fifteen (15) minutes after the time appointed for the meeting, is unwilling to act or unable to attend a meeting, the remaining Directors shall elect an Independent Director among themselves to chair the meeting.

4.4. The Committee may invite any other Director, Senior Management, employees and professional advisors to be in attendance during meetings to assist in its deliberations.

4.5. Meetings may be conducted physically or by way of telepresence, teleconference, or other communication facilities available which would facilitate participation by the Directors, provided such facilities enable Directors to communicate with each other and to vote at such meetings. Participation of Directors at meetings by way of telepresence, teleconference or other facilities shall be treated as present in person and shall be counted towards the quorum for the meeting.

5. RESOLUTION PASSED/APPROVED

5.1. Subject to Clause 5.3, resolutions proposed at meetings or by circular shall be approved/passed by a simple majority of the members, each member having one vote.

5.2. Circular Resolutions which have been passed since the last Committee meeting shall be circulated for notation at the next meeting.

5.3. A Committee member who has, directly or indirectly, an interest in a material transaction or material arrangement shall not be present at the Committee meeting where the said matter is being deliberated by the Committee.

6. AUTHORITY

6.1. The Committee has delegated authority from the Board of CIMB to discharge its duties and responsibilities as set out in this Terms of Reference.

6.2. The Committee is authorised by the Board to obtain resources which it requires, including but not limited to, obtaining expert advice, both internal and external, upon approval by the Board and at CIMB's expense, and to have full and unrestricted access to information to enable the Committee to fulfill its objectives and responsibilities.

6.3. The Committee is vested with such power and authority, specific or general, as may from time to time be conferred upon by the Board of CIMB.

6.4. The Board remains fully accountable for any authority delegated to the Committee.

7. DUTIES AND RESPONSIBILITIES

7.1. The Committee's effectiveness in discharging its responsibilities relies on adequate support from Management, including the Group Chief Sustainability Officer and Group Sustainability, through the timely provision of relevant information, data, and analysis. Where the Committee considers that the support or resources provided are insufficient to enable it to discharge its duties effectively, it may raise such concerns to the Group Chief Executive Officer and/or Board Chair for appropriate action.

7.2. The scope of the Committee's responsibilities and deliberations shall include the following:

(a) **Sustainability and Other Material Matters**

(i) To provide oversight and strategic input on the implementation, operation and assurance of policies and standards aligned with the Group's sustainability strategy – including climate change and other material matters – while proactively driving a net positive Environmental, Social and Governance (ESG) impact across the Group's diverse roles as lender, investor, service provider, purchaser, operation, advisor, business partner, sponsor, donor and employer.

(ii) To review and recommend all policies related to sustainability and material matters, including climate change, in accordance with applicable regulatory requirements.

(iii) To review and endorse the Group's sustainability risk appetite and risk posture, taking into account its overarching sustainability strategy, approach to material matters – including climate change – corporate commitments, macroeconomic conditions and the evolving regulatory landscape.

(iv) To review and endorse Management's strategies, frameworks and proposals on sustainability and material matters – including climate change – to ensure alignment with the Group's overarching organisational strategy.

(v) To approve (i) Exclusion List Permitted Exemptions as stipulated in the Group Sustainable Financing Policy (new, additional and renewal of uncommitted facilities); and (ii) any exception(s) to prohibited credits as stipulated in the Group Credit Risk Policy (Non-Retail) including subsequent credit reviews of prohibited credits (uncommitted nature).

(vi) To review strategic commitments proposed by Management on sustainability and material matters – including climate change – to ensure alignment with the Group's overarching organisational strategy.
(vii) To receive quarterly and/or ad-hoc updates from the Group Chief Sustainability Officer on sustainability and material matters, including climate change.
(viii) To review external sustainability disclosures, including the Sustainability Statement in the Annual Report, and to approve the Group's Sustainability Report.
(ix) To review and approve matters arising under the Group Sustainable Financing Procedure.

(b) **Corporate Responsibility**
(i) To review and recommend Management's proposed corporate responsibility framework and policies to the Board for approval.
(ii) Review quarterly and/or ad-hoc updates from the Head of Corporate Responsibility on the implementation and progress of corporate responsibility initiatives and programmes, in accordance with established framework and policies.

8. DELEGATION OF RESPONSIBILITIES

8.1. The Committee may delegate relevant responsibilities to any appropriate Group-wide Committees, as it sees fit to undertake or implement actions that have been approved or endorsed by the Committee.

8.2. Where the Committee has delegated such responsibilities, the Committee remains responsible for the exercise of the said delegation to those Group-wide Committees.

9. ANNUAL PERFORMANCE ASSESSMENT

The Board shall review the composition and performance of the Committee and each of its members annually to determine the effectiveness of the Committee and its members in undertaking its duties and responsibilities as set out in this Terms of Reference.

10. REVIEW OF TERMS OF REFERENCE

This Terms of Reference shall be reviewed periodically to ensure it remains relevant and applicable. Any proposed revision or amendment to this Terms of Reference by the Committee shall be submitted to the Board for approval. Once approved by the Board, the revision or amendment shall be incorporated into this Terms of Reference and deemed officially adopted.