

MBM Resources Berhad

Group Transformation Committee

Terms of Reference

1. INTRODUCTION

This Terms of Reference (“TOR”) identifies the purpose, composition, authority, procedures, and the duties and responsibilities of the MBM Resources Berhad (“MBMR” or “the Company”) Board Group Transformation Committee.

2. COMMITTEE COMPOSITION

2.1 Members

The Group Transformation Committee (“GTC” or “Committee”) shall be appointed by the Board of Directors from amongst the Directors of the Company and shall consist of not less than three members, all of whom shall be non-executive directors.

No Alternate Director shall be appointed as a member of the GTC. The Board of Directors shall review the terms of office and performance of its members at any time and from time to time to determine whether they have carried out their duties in accordance with their terms of reference.

Should a vacancy in the GTC occur, the Board shall fill the vacancy within 3 months from the date of the vacancy.

2.2 Chairman

The appointment of the Chairman of the Committee shall be approved by the Board. In the absence of the Chairman of the Committee at any Committee meeting, the Committee members shall decide who among them will be the Chairman of that meeting.

2.3 Secretary

The Company Secretary or such substitute as appointed by the Committee members from time to time shall act as the secretary of the GTC during the term of his/her appointment.

3. OBJECTIVES

In undertaking its duties and responsibilities, the Committee has to ensure that its proposals take into consideration factors necessary or related to improving the corporate governance of the Group, including:

- (a) according high priority to business sustainability, growth and future value creation throughout the Group;
- (b) supporting the leadership and effectiveness of the functions and responsibilities of the Board;
- (c) supporting and alignment with the vision, mission and corporate strategies approved by the Board;
- (d) safeguarding the integrity of financial and corporate reports as well as other publications and communications;
- (e) effective risk management for preservation and creation of value;
- (f) strengthening the Company's relationships with shareholders, regulators and other stakeholders;
- (g) compliance with all applicable laws and regulations;
- (h) fulfilment of the responsibilities of the Board and the Company as a listed entity under the Main Board Listing Requirements of Bursa Malaysia Securities Berhad; and
- (i) institute transformation or a culture change throughout the entire Group in order to leapfrog the Group to the next level of success.

4. RESPONSIBILITIES AND DUTIES

The responsibilities and duties of the GTC are:

4.1 Organizational Structure and Human Capital Development

- (a) Develop and propose to the Board an effective organization structure for the Company and the Group capable of supporting the development, implementation and achievement of the Group's corporate strategies;
- (b) Propose to the Board position clarification on key positions within the Group;
- (c) Develop and propose to the Board the framework, policies and processes for profiling and human-job match exercise for key positions within the Group;
- (d) Recommend to the Board suitably qualified internal and external talent to fill any vacancies in key positions;
- (e) Develop a performance management framework for the employees throughout the Group; and

- (f) Develop and recommend to the Board a talent management program (including, without limitation, succession planning for key and critical positions) and learning and growth opportunities for key positions and the workforce as a whole.

4.2 Corporate Framework and Strategies

- (a) Develop and propose to the Board a framework, policies and procedures for the Group:
 - (i) to strengthen the internal control function within the Group;
 - (ii) to strengthen the risk management function within the Group;
 - (iii) to develop, implement and undertake corporate strategies approved by the Board for growth of the Group's businesses and future value creation, including, but not limited to, strategies related to supply chain management, corporate branding, communications with stakeholders and digital transformation; and
 - (iv) to implement strategies for better internal control, risk management, business continuity planning and sustainability within the Group;
- (b) Provide oversight of the implementation of such of the Group's transformation and corporate strategies as the Board may direct.

4.3 Other matters

The GTC shall further:-

- (a) report its activities, including how it has discharged its responsibilities, to the Board on a regular basis and promptly provide to the Board copies of the minutes of meetings of the GTC;
- (b) undertake other duties and responsibilities requested by the Board from time to time but still within the broad and main framework of the GTC under these terms of reference;
- (c) arrange for periodic reviews of its own performance and review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

The review of the Committee's terms of reference should be a robust process, reflecting changes to the Company's circumstances and any new regulations that may impact upon the GTC's responsibilities.

5. AUTHORITY

- 5.1 The GTC is authorised by the Board of Directors to review any activity within its terms of reference. The GTC is authorised to seek any information it may require from any director or member of management and it has full and unrestricted access to any information pertaining to the Group.
- 5.2 The GTC is authorized:
- (a) to appoint any person determined by the GTC to be qualified to act as a Chief Transformation Officer (“CTO”) and to determine the remuneration or fees of the CTO which shall be borne by the Company;
 - (b) to establish a secretariat comprising such persons who may be employees within the Group or external contractors, which secretariat shall be headed by the designated CTO;
 - (c) to approve the organization and reporting structure of the secretariat; and
 - (d) to determine the role and responsibilities of the secretariat.
- 5.3 The GTC shall obtain external professional advice, secure the attendance of outsiders and engage the services of such professional persons with the relevant experience if deemed necessary, the expense of which will be borne by the Company.

6. PROCEDURES OF MEETINGS

6.1 Frequency of Meetings

The GTC shall meet at least once a month, or more frequently, as determined by the Committee.

6.2 Calling and Notice of Meetings

Meetings of Committee shall be called by the Secretary at the request of the Committee Chairman.

Unless otherwise agreed, notice of each meeting of at least five business days before the meeting or such shorter notice as the Committee shall agree, confirming the venue, time and date together with an agenda of items to be discussed, shall be given to each member of the Committee and any other person required to attend. Supporting papers shall be sent to Committee Members and other attendees as appropriate, at the same time. The notice of each meeting shall be served to the member by email, fax, post, courier or any electronic means provided by the GTC member.

6.3 Venue of Meetings

The GTC meetings may be held at one or more venues within or outside Malaysia using any technology that enable the GTC as a whole to participate for the entire duration of the meeting, and that all information and documents for the meeting must be made available to all members prior to or at the meeting. Minutes of the proceedings of such meeting shall be conclusive evidence of the proceedings to which it relates.

6.4 Quorum

A quorum shall be two members.

6.5 Attendance at Meetings

The President/Chief Executive Officer and CTO should be invited to and attend meetings of the GTC. Other Board members and members of the Group's management may also attend meetings upon the invitation of the GTC.

6.6 Voting

A resolution put to a vote at the meeting shall be decided on a show of hands. In the case of an equality of votes, the Chairman shall be entitled to a second or casting vote.

6.7 Keeping of Minutes

The secretary shall minute the proceedings and resolutions of all GTC meetings, including the names of those present and in attendance. Draft minutes of GTC meetings shall be circulated promptly to all members of the NRC.

Minutes of each meeting shall be signed by the Chairman of the meeting at which the proceedings were held and kept as part of the statutory record of the Company. The minutes of each meeting shall be tabled to the Board for notation.

6.8 Written Resolutions

A resolution in writing signed or approved via letter, telex, facsimile, email or other electronic or digital means by the members of the GTC shall be valid and effectual as if it had been passed as a resolution at a meeting of the GTC duly called, convened, held and constituted. Any such resolution may be

executed in any number of counterparts, each signed by one or more members, all of which taken together and when delivered to the Secretary of the GTC shall constitute one and the same resolution.

6.9 Custody, Production and Inspection of Minutes

The minutes shall be kept by the Company at the Registered Office or the principal place of business in Malaysia of the Company and shall be open to the inspection of any member of the GTC without charge.

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