

BOARD STRATEGIC COMMITTEE TERMS OF REFERENCE

Approved by Board of Directors on 9 July 2024.

1.0	<u>OBJECTIVES</u>
	The Board Strategic Committee (" BSC ") is established with the objective of supporting the Board of Directors (" Board ") of VELESTO ENERGY BERHAD (" VELESTO ") to recommend policy and carry out oversight on VELESTO Group's strategies to ensure alignment to the vision and mission with the objective to maximise value to shareholders.
2.0	<u>FUNCTIONS AND RESPONSIBILITIES</u>
2.1	The BSC shall exercise its functions and carry out its duties and responsibilities in accordance with the BSC Terms of Reference (" TOR ").
2.2	The BSC functions are to recommend policy and provide oversight, review, evaluate and report to the Board on the following matters:
	2.2.1 <u>Strategic Direction:</u> VELESTO's strategic plans and initiatives that supports long- term value creation in consideration of future opportunities and disruptions to VELESTO Group's business model.
	2.2.2 <u>Investment and Divestment:</u> Business growth strategies, including mergers, acquisition and major capital investments as well as divestment considering among others strategic alignment, financial viability and ESG principles;
	2.2.3 <u>Strategic Projects:</u> Group's strategic project targets and monitor its implementation.
	2.2.4 <u>Other Functions</u> The Committee shall undertake any such other functions as may be determined by the Board from time to time.
3.0	<u>SIZE AND COMPOSITION</u>
	The composition of the Committee shall be as follows:

	<p>3.1 The BSC shall comprise of minimum of three (3) Directors. All of them must be Non-executive Directors.</p> <p>3.2 The Chairman of the BSC must be a Non-Executive Director.</p> <p>3.3 The Chairman of the Board should not be a member or Chairman of the Committee.</p> <p>3.4 In the absence of the Chairman, member of the BSC present, may elect someone from amongst themselves to chair the meeting.</p>
4.0	<u>MEETINGS, QUORUM AND PROCEDURES</u>
<p>4.1</p> <p>4.2</p> <p>4.3</p> <p>4.4</p> <p>4.5</p>	<p><u>Frequency</u> The BSC shall convene a meeting at least twice a year or at any time as and when necessary.</p> <p><u>Quorum</u> The quorum for each meeting shall be three (3) members.</p> <p><u>Meeting Mode</u></p> <p>4.3.1 A meeting of BSC may be conducted in physical mode via tele/video conferencing and other online communication modes.</p> <p>4.5.1 The BSC may invite such other senior management of the Company, including but not limited to the President, the Chief Financial Officer and Chief Commercial Officer to attend the meeting, to provide information and clarification required on items on the agenda.</p> <p>4.5.2 The BSC shall decide on its own administrative procedures to effectively discharge its responsibilities.</p> <p>4.3.4 The BSC meeting shall be conducted separately and not be combined with the main board meeting.</p> <p><u>Voting</u> All resolutions of the BSC shall be adopted by a simple majority vote. In case of a tie, the Chairman shall have a casting vote.</p> <p><u>Meeting Minutes</u></p> <p>4.5.1 Minutes are kept by Secretary as evidence that the BSC has discharged its functions.</p> <p>4.5.2 The approved minutes of the BSC Meetings are forwarded to the Board members for information and significant issues are to be discussed at Board Meetings.</p>

4.6	<p>4.5.3 The approved minutes of the BSC shall be tabled at the next available Board Meeting, for notation.</p> <p><u>Circular Resolution</u></p> <p>4.6.1 The BSC may consider and decide on matters by way of circular resolutions in lieu of formally convening a meeting.</p> <p>4.6.2 A resolution in writing signed, approved by written notification or other written electronic communications by the majority of BSC members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting.</p> <p>4.6.3 All such resolutions shall be forwarded or otherwise delivered to the Secretary and shall be recorded by the Secretary in the minutes book and/or electronic storage. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.</p>
5.0	<u>REVIEW OF THE BSC</u>
	<p>The Board of Directors' ("Board") must review the performance of the BSC to determine whether the Committee have carried out their duties in accordance with their terms of reference.</p>
6.0	<u>THE TERMS OF REFERENCE</u>
	<p>The review and assessment of the adequacy of this TOR may be instructed by the Board on a periodic basis or as and when necessary. Any revision or amendments to the TOR shall be approved by the Board.</p>