



TERMS OF REFERENCE
OF NOMINATION AND REMUNERATION
COMMITTEE

SUMISAUJANA GROUP BERHAD
COMPANY NO: 202101023259 (1423559-T)

4 FEBRUARY 2025

1.0 OBJECTIVES

The principal objective of the Nomination and Remuneration Committee (“NRC” or the “Committee”) is to assist the Board of Directors (“Board”) in assessing, proposing new nominees for the Board, and to ensure that the Board comprises Directors with an appropriate mix of skills, knowledge, experience, independence, competencies, and diversity (including diversity in age, cultural background and gender) with a proper balance of Executive Directors and Independent Directors as well as to ensure there are succession plans for Directors and Management.

The NRC is also to assist the Board in developing and establishing competitive remuneration policy and packages for the Board and Management.

The NRC would also support the Board in the annual assessment of Board, Board Committees and individual Director’s performance.

The Board decides on the nominees and remuneration package after considering the recommendations of the NRC. The individual directors will abstain from discussing their own remuneration.

2.0 COMPOSITION OF MEMBERS

- 2.1 The Board shall elect the members of the NRC from amongst themselves, and shall consist of not less than three (3) members, comprising exclusively of Non-Executive Directors and a majority of Independent Directors.

In this respect, the Board adopts the definition of “independent director” as set out in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any practice notes issued thereto.

- 2.2 The chairman of the Board shall not be appointed as a member of the NRC.
- 2.3 In the event of any vacancy in the NRC resulting in the number of members of the NRC falling below 3, the vacancy shall be filled as soon as possible, but shall not be later than 3 months of that event.
- 2.4 All members of the NRC, including the Chairman, shall hold office only for so long as they serve as Director of the Company. Members of the NRC may relinquish their membership in the NRC with prior written notice to the Secretary.

3.0 CHAIRMAN

- 3.1 The Chairman of the Committee (“Chairman”) shall be elected from amongst the NRC members as approved by the Board.
- 3.2 In the absence of the Chairman, the members of the NRC present shall amongst themselves elect an Independent Director to chair the meeting.

4.0 SECRETARY

The Secretary of the NRC shall be the Company Secretary of the Company.

5.0 MEETINGS

- 5.1 The NRC may meet together for the despatch of business, adjourn and otherwise regulate their meetings at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at his discretion.
- 5.2 The Secretary shall, on the requisition of the members of the NRC, summon a meeting of the NRC. Except in the case of an emergency, Notice of NRC meetings shall be given in writing at least five (5) business days before each meeting to the NRC members and all those who are required to attend the meeting. Notice can be sent by post, hand, facsimile, electronic mail or by any means of telecommunication in a permanent written form.
- 5.3 The Executive Directors and other Key Senior Management personnel, may be invited to attend meetings to discuss the performance of Executive Directors and Key Senior Management and make proposals as necessary.
- 5.4 Executive Directors should play no part in decisions on their own remuneration.
- 5.5 The members of the NRC may participate in a meeting by means of conference, telephone, conference videophone, or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- 5.6 A resolution in writing, signed or approved by majority of the members of the NRC, shall be as effectual as if it has been passed at a meeting of the NRC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members of the NRC. Such resolution may be approved by letter, electronic mail or other electronic communication.
- 5.7 Questions arising at any meeting shall be determined by a majority of votes of the members present and a determination by a majority of members shall for all purposes be deemed a determination of the NRC.
- 5.8 In the case of an equality of votes, the chairman of the meeting shall have a second or casting votes provided that where two (2) members form a quorum, the chairman of the meeting at which only such a quorum is present, or at which only two members are competent to vote on the question at issue, shall not have a casting vote.

6.0 MINUTES

- 6.1 The minutes of the meeting shall be action-oriented, and record the deliberations and decisions of the NRC. Minutes shall include compiled instructions as matters arising for discussion at each meeting to ensure proper follow-through.

- 6.2 Draft minutes shall be distributed to NRC members for comments in between two (2) and four (4) weeks after the meeting. The minutes shall be approved by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next meeting.
- 6.3 The NRC shall cause minutes to be duly entered into minutes books provided for the purposes:
- a) of the names of all NRC members - and other participants of each meeting of the NRC;
 - b) of all resolutions and proceedings of the NRC Meetings;
 - c) of all orders, recommendations and reports made by the NRC; and
 - d) such minutes shall be signed by the Chairman of the NRC at which the proceedings were held or by the Chairman of the next succeeding meeting, and if so signed, shall be conclusive evidence without any further proof of the facts therein stated.
- 6.4 The books containing the minutes of the proceedings of the NRC shall be kept by the Company at the Registered Office of the Company subject to the provisions of the Companies Act 2016, relating to keeping the minutes the Board and any committee of the Board.

7.0 QUORUM

The quorum for a meeting of the NRC shall be two (2) members, present in person and the majority of members present shall be Independent Directors. No business shall be transacted at any meeting of the NRC unless a quorum is present.

8.0 DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the NRC are as follows:

8.1 Appointments

- i) consider and recommend to the Board, candidates for any directorship proposed by the Management, shareholders, the Board or other sources such as independent recruitment firms, taking into consideration the following criteria:
 - required skill, knowledge, expertise, experience and competence;
 - time commitment, character, professionalism and integrity;
 - diversity in age, gender, culture, experience and independence;
 - number of directorships in companies (including non-listed companies) outside the Company and its subsidiaries ("Group");
 - specialist knowledge or technical skill;

- criteria set out in the Company's Directors' fit and proper policy; and
 - any business interest or relationship that may result in a conflict of interest that could affect the execution of the role.
- ii) consider and recommend to the Board, Director(s) or officer(s) of the Company to fill the seats on Board committees.

8.2 Re-election/Re-appointment

- i) ensure every Director is subject to retirement at least once every 3 years. A retiring Director shall be eligible for re-election.
- ii) recommend to the Board, candidates for re-election of Directors, to be approved by shareholders, pursuant to the Company's Constitution. The re-election of the Directors shall take into consideration the criteria set out in the Directors' fit and proper policy and shall be contingent upon the satisfactory evaluation of their performance and contribution to the Board.

8.3 Annual Performance Assessment

- i) review annually the structure, size and composition of the Board, including the skill, knowledge, experience, and diversity of each Director and core competencies which Non-Executive Directors should bring to the Board and to ensure the composition of the Board is refreshed periodically.
- ii) assess annually, the effectiveness of the Board as a whole and each Director individually, the Chairman of the Board, as well as the effectiveness of the various committees of the Board and to review the results of the performance evaluation thereafter.
- iii) review annually, the term of office, competency and performance of the Audit and Risk Management Committee and each of its members to determine whether they have carried out their duties in accordance with their terms of reference.
- iv) conduct an assessment annually on the independence of each of the Independent Directors to ensure he/she is continually fit and maintains independence in order to provide appropriate scrutiny and impartial judgement.
- v) develop, maintain and review the criteria for evaluating the performance of the Board and Board Committees and each individual Director including the performance in addressing the Group's material sustainability risk and opportunities.

8.4 Succession planning

- i) give consideration to succession planning for Directors and other Key Senior Management, taking into account the challenges and opportunities facing the Group and the skills, expertise and gender diversity needed on the Board and the Key Senior Management in the future.

- ii) review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the continued ability of the Group to complete effectively in the marketplace.
- 8.5 Determine and recommend to the Board the remuneration policy for Executive Directors, Non-Executive Directors, and Key Senior Management with the objective of attracting, retaining, and motivating Directors and Key Senior Management of the quality required.
- 8.6 Review and recommend to the Board in relation to the remuneration structures of the Executive Directors, Non-Executive Directors and Key Senior Management in all forms, taking into account the following criteria (where applicable):
- the roles and level of responsibilities;
 - required qualification, skills, competence, experience and time commitment;
 - complexity of the business of the Group;
 - Group's business strategy and long-term objectives;
 - Group's performance in operating results as well as managing material sustainability risks and opportunities; and
 - market statistics of other companies of a similar size in a comparable industry sector.
- 8.7 In respect of Executive Directors, to ensure that the remuneration package commensurate with the skills and responsibilities expected of the director concerned and is sufficient to attract and retain Directors needed to run the Company successfully.
- 8.8 In respect of Non-Executive Directors, to ensure via the Board as a whole that the remuneration payable reflects the experience, time demanded of the directors to discharge their duties and responsibilities undertaken.
- 8.9 In respect of Key Senior Management, to ensure that the remuneration package commensurate with the individual's performance, skills, experience, level of responsibility as well as the market benchmarks.
- 8.10 Recommend performance bonus, annual increment, market adjustment, and promotion increment budget to the Board for consideration and approval.
- 8.11 Recommend continuing appropriate training programmes for Directors during the year.
- 8.12 Consider and examine such other matters as the NRC considers appropriate.
- 8.13 Engage external professional advisors to assist and/or advise the NRC, on remuneration matters, where necessary.

- 8.14 Review the fees of the Non-Executive Directors and any benefits payable to them including any compensation for loss of employment of director or former director before presenting to the shareholders for approval.
- 8.15 Provide clarification to shareholders during general meetings on matters pertaining to the remuneration of Directors and Key Senior Management as well as the overall remuneration framework of the Company.
- 8.16 Review the policies and procedures of the remuneration framework as and when necessary.
- 8.17 Establish and review periodically framework of policies formalising the Group's approach and commitment towards an effective Board.
- 8.18 Keep up-to-date and fully informed about strategic issues and commercial changes affecting the Group and the market in which it operates.
- 8.19 Prepare a NRC report at the end of the financial year for inclusion in the Annual Report pursuant to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 8.20 Act in line with the Board.

9.0 REPORTING RESPONSIBILITIES

- 9.1 The Chairman shall report to the Board on its proceedings after each meeting on all matters within the scope of its duties and responsibilities.
- 9.2 The NRC shall make whatever recommendations to the Board it deems appropriate, on any area within its terms of reference and/or where action or improvement is needed.
- 9.3 The NRC shall report to the Board on its activities, based on these Terms of Reference.

10.0 REVIEW

The NRC shall recommend any changes to its terms of reference in such manner as the NRC deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed, and updated at least once every three (3) years or as and when the need arises to keep it current and relevant at all times with the Malaysian Code on Corporate Governance and Bursa Malaysia Securities Berhad's ACE Market Listing Requirements.

This Terms of Reference was reviewed, approved and adopted by the Board on 4 February 2025.