



SENTORIA GROUP BERHAD

(Company No. 463344-K)

REMUNERATION COMMITTEE TERMS OF REFERENCE

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

1. Members

The Remuneration Committee (“the Committee”) shall be appointed by the Board of Directors and shall consist of not less than **two (2)** members of which comprising wholly or mainly non-executive directors.

In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within three (3) months.

The Board of Directors must review the term of office and performance of the Committee and each of its members annually to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

An Alternate Director shall not be appointed as a member of the Committee.

The Committee member will cease to be a member when he/she ceases to be a director.

2. Chairman

The members of the Committee shall elect a Chairman among themselves. In the absence of the Chairman, the members present shall nominate one amongst themselves to act as the Chairman of the meeting.

3. Secretary

The Company Secretary/ies of the Company or such substitute as appointed by the Board from time to time shall act as the Secretary of the Committee.

The Secretary shall record all proceedings and minutes of the Committee’s meetings which shall be kept and circulated to all members of the Committee and of the Board.

4. Functions

The functions of the Committee shall include the following:-

- i. To review and recommend to the Board, the fees and allowances payable to the non-executive directors of the Company based on their experiences and the level of responsibilities undertaken by the respective Non-Executive Director, and it will be presented at the Annual General Meeting for shareholders’ approval. The individual Director is required to abstain

from discussing his/her own remuneration and do not participate in decisions regarding their own remuneration.

- ii. To review and recommend to the Board, the remuneration package for the Executive Directors, including, where appropriate, salaries, bonus, benefits-in-kind and others contributions, by taking into account the corporate and individual performance. The individual Director is required to abstain from discussing his/her own remuneration and do not participate in decisions regarding their own remuneration.
- iii. To review and recommend to the Board, the Group's remuneration policy and framework for directors and executive management, taking into account the demands, complexities and performance of the Group as well as skills and experience required in order to attract and retain the right talent to drive the long-term objectives of the Group, such remuneration is also guided market norms and industry practices.
- iv. To review and recommend the annual bonus quantum for bonus schemes applicable to executive directors of the Group.
- v. To oversee the qualitative and quantitative disclosures of remuneration made in the annual report and notice to general meetings.
- vi. To perform such other functions relating to the foregoing as the Board may, from time to time, request.

5. Meetings

i. Frequency of Meetings

The Committee shall meet at least once in each financial year or as frequently as required to perform the duties set out in these Terms of Reference. The Committee should disclose the number of meetings held in a year and the details of attendance of each individual member in respect of meetings held.

ii. Calling of Meetings

Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee based on the scheduled meeting dates or as and when required.

Meetings may be held at two (2) or more venues within or outside Malaysia using any technologies that will enable the Committee as a whole to participate for the entire duration of the meeting provided that all information and documents for the meetings concerned must be made available to all members prior to or at the meetings.

iii. **Notice of Meetings**

Except in the case of an emergency meeting, notices of meetings and agenda are sent to the members of the Committee electronically at least one (1) week in advance and the meeting papers are delivered electronically and/or in hard copies at least three (3) days prior to the meetings.

iv. **Quorum for Meetings**

The quorum of any meeting shall not be less than two (2) members, a majority of whom must be non-executive directors.

v. **Voting at Meetings**

A resolution put to the vote of the meeting shall be decided by a majority vote. In the case of an equality of votes, the Chairman or the chair of the meeting concerned shall be entitled to a second or casting vote. However, at meetings where two (2) members form a quorum, or when only two (2) members are competent to vote on an issue, the Chairman will not have a casting vote.

vi. **Minutes of Meetings**

The Secretary shall record minutes of the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

The minutes of all meetings shall be circulated to each member of the Committee for approval and thereafter be circulated to all members of the Board.

The minute of each meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next meeting and kept as part of the statutory records of the Company.

vii. **Circular Resolution**

A resolution in writing signed by a majority of all members of the Committee shall be valid and effectual as if it had been passed at a meeting of the Committee.

Such resolution shall be described as "Remuneration Committee Circular Resolution" and shall be recorded by the Secretary in the minutes book.

Any such resolution may consist of several documents in like form, each signed by one (1) or more members. The expressions "in writing" or "signed" include approval by legible confirmed transmission by email, facsimile, telegram or other forms of electronic communications.

6. Access to Advice

In furtherance to their duties as the Committee's members of the Company, there should be an agreed procedure for the members, whether as a full Committee or in their individual capacity, to take independent professional advice at the Company's expense, if necessary.

7. Review

These Terms of Reference will be amended and modified from time to time in line with any changes to the codes of corporate governance and the Listing Requirements. The Committee shall recommend any changes required to the Board and ensure that such changes are approved by the Board.

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Reviewed and recommended by Remuneration Committee : 4 January 2019
Approved by Board of Directors : 4 January 2019