



# **SENTORIA GROUP BERHAD**

**(Company No. 463344-K)**

## **NOMINATION AND REMUNERATION COMMITTEE TERMS OF REFERENCE**

## **TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE**

The Board of Directors has granted authority to the Company for the merger of its existing Nomination Committee and Remuneration Committee into a single Nomination and Remuneration Committee by way of resolution passed at its 7/2023 Board of Directors' Meeting held on 28 August 2023.

The new Terms of Reference of the Nomination and Remuneration Committee as follow is adopted on 28 August 2023:-

### **1. Members**

The Nomination and Remuneration Committee ("the Committee") shall be appointed by the Board and shall consist of not less than **two (2)** members of which comprising exclusively Non-Executive Directors, the majority of whom shall be Independent Directors.

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

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 who shall be an Independent Non-Executive Director. 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

### 4.1 Nomination

The Committee shall:

- i. recommend to the Board, the candidates for appointment as Directors. In making its recommendations, the Committee should consider the candidates':
  - skills, knowledge, expertise, experience, integrity and personal traits;
  - gender and age diversity
  - in the case of candidates for the position of Independent Non-Executive Directors, the Committee should also evaluate the candidate's ability to devote the time and commitment to discharge his/her responsibilities/functions;
- ii. consider, in making its recommendations, candidates for directorships proposed by the Joint Managing Directors and, within the bounds of practicability, by any other senior executive or any Director or shareholder;
- iii. recommend Directors to fill the seats on Board committees;
- iv. assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each existing individual Director and thereafter, report its findings to the Board. The evaluation which is done internally and annually is conducted on a peer and self-evaluation basis through evaluation forms. Completed evaluation forms and the results of the evaluations are collated into a report and deliberated on by the Committee and subsequently by the Board and key issues arising thereon are identified for further action to be taken by Executive Management;
- v. all Directors who are subject to re-election and/or re-appointment at the Annual General Meeting shall be recommended by the Committee before his/her re-election and/or re-appointment is proposed to the Board and shareholders for their consideration;
- vi. ensure that all Directors undergo appropriate induction programs and receive continuous training;
- vii. review annually the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and thereafter, report its findings to the Board.
- viii. review the term of office and performance of an Audit and Risk Management Committee and each of its members annually to

determine whether such Audit and Risk Management Committee and members have carried out their duties in accordance with their terms of reference.

## 4.2 Remuneration

The Committee shall:

- 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 meetings material to be delivered electronically and/or in hard copies at least five (5) business 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 Independent 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 to 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 “Nomination and 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, the Committee is entitled to seek independent professional or other advice at the expense of the Company, if required.

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 recommended any changes required to the Board and ensure that such changes are approved by the Board.

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