

TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

1. OBJECTIVE

The Board of Directors of Mentiga Corporation Berhad (“MCB” or “Company”) has established a Nominating and Remuneration Committee (“NRC” or “Committee”) with the following primary function:

Nomination Function

- 1.1 To recommend nominations to the Board for appointment of the Board members, Committee members, as well as to evaluate and recommend to the Board the employment, promotion, discipline, and termination of senior management with the positions.
- 1.2 To ensure the Board is effective in discharging its responsibilities in achieving the Company’s goals and objectives.
- 1.3 To ensure the succession plans are able to achieve diverse talent pipeline for the Board and senior management.
- 1.4 To ensure the appointment of Board members and senior management are based on objective criteria such as diversity in skills, experience, knowledge, core competences, responsibilities, contribution, age, and cultural background.

Remuneration Function

- 1.5 To review and recommend remuneration of Directors and senior management which are well-structured and consistent with the strategy, goals and long-term objectives of MCB.
- 1.6 To review and recommend the remuneration packages for Directors and senior management to ensure fair and adequate rewards for their contributions to MCB.
- 1.7 To review and recommend the remuneration policies and procedures which are made through a transparent and independent process for Directors and senior management.

2. MEMBERSHIP

- 2.1 Members of the NRC shall be appointed by the Board amongst its Directors and shall comprise at least three (3) members, all of whom must be Non-Executive Directors, and a majority of whom must be Independent Directors.
- 2.2 No Alternate Director shall be appointed as a member of the Committee.

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- 2.3 A Committee member shall automatically be terminated if the member ceases for any cause to be a director, or as determined by the Board.
- 2.4 Where the members of committee for any reason are reduced to less than three (3), the Board shall be based on the recommendation of the NRC, to fill the vacancy within three (3) months from the occurrence of the event to make up the minimum number of three (3) members.

3. CHAIRMAN

- 3.1 The Chairman of the NRC shall be a Non-Executive Director.
- 3.2 In the absent of the Chairman of the NRC or if he is not present at any Committee meeting within (15) minutes of the appointed for holding the same, the other members of the Committee shall amongst themselves elect a Chairman who must be an Independent Non-Executive director to chair the meeting.

4. SECRETARY

- 4.1 The Company Secretary shall be the Secretary of the NRC or in his absence, another person authorised by the Chairman of the Committee.
- 4.2 The Company Secretary, in consultation with the Chairman of the NRC, shall draw up the agenda of the meeting. The agenda, together with the relevant support papers, shall be circulated no later than seven (7) calendar days, or shorter notice where it is unavoidable prior each meeting to the members of the Committee.

5. QUORUM AND MEETING PROCEDURES

- 5.1 A quorum for the meeting shall be two (2) members.
- 5.2 The NRC shall meet **at least once a year** or as and when the NRC deems necessary to fulfil its responsibilities.
- 5.3 The Committee meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables all persons to participate for the entire duration of the meeting.

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The technology to be used for the purpose of the meeting must be such that all persons taking part in the meeting must be able to communicate simultaneously with each of the other persons taking part in the meeting and may include telephone, television, video conferencing or any other audio and/or visual device which permits instantaneous communication.

- 5.4 A virtual meeting shall be deemed to constitute an Committee meeting provided the following conditions are met:-
- (a) all the Committee members for the time being shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as may be permitted by the Constitution of the Company; and
 - (b) a Committee member shall not leave a virtual meeting by disconnecting from the technology used unless he/she has previously expressly notified the Chairman of the meeting of his/her intention to leave the meeting and a Committee member shall be conclusively presumed to have been present and have always formed part of the quorum during such a meeting until such notified time of his/her leaving the meeting.
- 5.5 The Committee may, as and when deemed necessary, invite any Board members, member of management, or consultants, who the Committee thinks fit, to attend its meetings to assist and provide pertinent information as necessary.
- 5.6 A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes. In the event of an equality of votes, the Chairman has the casting vote.
- 5.7 A member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall abstain from deliberating and voting

6. MINUTES

- 6.1 The Company shall cause minutes of all proceedings of the Committee meeting to be entered in books for that purpose. Minutes of each meeting are signed by the Chairman of the meeting at which proceedings were held or by the Chairman of the next succeeding meeting.
- 6.2 Minutes shall be kept by the Company at the Registered Office and shall be open for inspection by any Committee member or Board member.

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6.3 The Minutes of each Committee meeting shall be distributed and tabled to the Board members for notation.

7. CIRCULAR RESOLUTION

7.1 A resolution in writing signed by a majority of the Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.

7.2 The resolution may consist of several documents in like form, each signed by one (1) or more Committee members. Such document may be accepted as sufficiently signed by a Committee member if it is transmitted to the Company by facsimile or other electrical or digital written message, which include a signature of the said Committee member as may be permitted by the Constitution of the Company.

8. REPORTING

The Committee, through its Chairman, shall report a summary of significant matters to the Board at the next Board meeting after each Committee meeting. The Committee shall provide such background and supporting information as may be necessary in recommending to the Board for approval.

9. AUTHORITY

The Committee shall in accordance with a procedure to be determined by the Board of Directors and at the expense of the Company:-

- (a) have the resources which are required to perform its duties;
- (b) have full and unrestricted access to all information and documents within the Group which are required to perform its duties;
- (c) obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary; and
- (d) seek input from management on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

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10. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the NRC shall include, but are not limited to the following:

10.1 Nomination Duties and Responsibilities

- 10.1.1 Identify, consider, and recommend to the Board suitable candidates for appointment of Directors. The Committee shall not solely rely on recommendations from existing board members, management or major shareholders, but will also utilise independent sources to identify suitably qualified candidates. In making the recommendations, the Committee shall:-
- (i) assess the candidates' expertise, skills, experience, professionalism, commitment, integrity, competence and character;
 - (ii) consider board diversity including age and gender diversity; and
 - (iii) in the case of candidates for the position of Independent Non-Executive Directors, evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.
- 10.1.2 If the selection of candidates was solely based on recommendations made by existing Board, management or major shareholders, the Committee should explain why other sources were not used.
- 10.1.3 Recommend to the Board the appointment of members of each Board Committee.
- 10.1.4 Recommend to the Board any appointment, cessation, suspension, dismissal and/or any staff movement including re-designation or re-deployment of senior management of the Group.
- 10.1.5 Assess annually the effectiveness of the Board as a whole, Board Committees, and the contribution of each individual Director and Chief Executive Office/Managing Director including his/her character, competence, experience, and time commitment. All assessments and evaluation carried out by the Committee in the discharge of its duties shall be disclosed in the Annual Report.

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- 10.1.6 Evaluate and review the performance of the Board and senior management including the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.
- 10.1.7 Review and assess the independence of Independent Directors on an annual basis.
- 10.1.8 Consider and recommend to the Board for approval, the appropriate size of the Board and Board Committees to facilitate effective decision making after taking into consideration the scope and nature of the operations of the Group.
- 10.1.9 Facilitate Board induction programme for newly appointed Directors.
- 10.1.10 Identify suitable educational and training programmes for continuous development of Directors to ensure the Directors keep abreast with development in the industry, regulatory changes and board business trends.
- 10.1.11 to ensure that a formal letter of appointment is provided to the Non-Executive Directors upon appointment to the Board, setting out clearly the expected time commitment, Board Committee involvement, involvement outside Board meetings and protocol for accepting new Directorships.
- 10.1.12 Carry out such other duties or functions as may be delegated by the Board from time to time or required by the regulatory authority.

10.2 Remuneration Duties and Responsibilities

- 10.2.1 Review and implement Group's policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors and senior management and recommend to the Board for approval.
- 10.2.2 In determining the remuneration packages of Directors and senior management, the Committee should take into consideration of qualification, technical competency, skills, expertise and experience; roles and responsibilities; and long-term objectives of the Group.
- 10.2.3 Review/Implement reward system for Executive Directors based on their contributions with the Group performance.

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- 10.2.4 Ensure that the remuneration packages for Directors and senior management take into consideration the complexity of Group's business and the individual's responsibilities and performance, comparable market statistics, and their roles in addressing the company's material sustainability risks and opportunities and achieving sustainability targets.
- 10.2.5 Ensure fees and benefits payable to Directors, and any compensation for loss of employment of Executive Directors are approved by shareholders at general meetings.
- 10.2.6 Review and recommend the extension of service, remuneration and compensation and benefits packages of executive director and senior management positions, who have reached the age of retirement.
- 10.2.7 Recommend to the Board any performance related pay schemes for the Company or Group.
- 10.2.8 Review the management's proposal and recommended to the Board the annual salary increment framework of the Group's employees, the annual bonuses and other benefits including the total quantum of payment which should be made based on the individual's performance and responsibilities with reasonable reference to the level of compensation accorded by comparable companies or industry in line with the overall performance of the Group;
- 10.2.9 To carry out other responsibilities, functions or assignments as may be agreed by the Board from time to time.

11. REVIEW OF THE WRITTEN TERMS OF REFERENCE

Any amendments to this terms of reference shall be approved by the Board. These terms of reference will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Committee's responsibilities.

This Terms of Reference was reviewed and adopted by the Board on 23 February 2022 and is made available at the Company's website.