



**TERM OF REFERENCE
NOMINATION AND REMUNERATION
COMMITTEE OF THE BOARD**

THE CENDANA TERM OF REFERENCE

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TERMS OF REFERENCE OF THE **NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD (“NRC”)**

Size and Composition	The minimum number of members is three (3). The Committee shall comprise only non-executive directors, of which the majority shall be independent.
Chairman	The Committee shall be chaired by an Independent Non-Executive Director (“INED”).
Secretary	The Group Company Secretary
By Invitation	Managing Director
Quorum	At least 51% of the number of members must be present to form a quorum.
Meeting Frequency	At least two (2) times a year.
Conduct of Meetings	<p>Meetings can be conducted physically or by means of teleconference, video conference or such other communication facilities available from time to time which would permit all members participating in the said meeting to communicate with each other simultaneously and instantaneously and to vote at such meetings. Participation of the members shall be treated as presence in person at the meeting and shall be counted as quorum for the meeting.</p> <p>In the absence of the Chairman, the members shall elect a member from among the INEDs to chair the meeting.</p>
Resolutions Passed/Approve	Resolutions proposed at meeting or by circular to be passed by majority.

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Roles and Responsibilities	SECTION A - NOMINATION AND REMUNERATION	
	I. General	
	1.	To provide a formal and transparent procedure for the appointment of Directors and Senior Officers of Cendana and assessment of the effectiveness of individual Directors, the Board as a whole and the performance of Senior Officers of Cendana.
	2.	To provide a formal and transparent procedure for developing a remuneration policy for Directors and Senior Officers of Cendana and ensuring that compensation is competitive and consistent with Cendana's culture, objectives and strategy.
	3.	To oversee the Board succession plan and general composition of the Boards and Board Committees of Cendana and its subsidiaries, their size, skills-set, terms and conditions and tenure of service as well as the appropriate balance between Executive Directors and Non-Executive Directors ("NED") of the respective Boards, and to make relevant recommendations to the Boards of Cendana and its subsidiaries as it deems appropriate.
	4.	To recommend to the Cendana Board, a Leadership Development framework for Group EXCO members and executives at Senior Management level.
	5.	To recommend to the Cendana Board, any revision to the organisational structure commensurate with job grades and ranges framework for Group EXCO members and executives at Senior Management level.
	6.	To recommend to the Cendana Board, a Performance Management Framework/Model including the setting of appropriate performance target parameters and benchmark for the Group Balanced Scorecard at the start of each financial year.
	7.	To oversee the succession planning and talent management of Senior Officers of Cendana.
	II. Appointments	
	<u>Directors</u>	
	8.	To recommend to the Cendana Board, suitable persons for appointment as members of the Board and Board Committees of Cendana taking into account the size of the Board and Board Committees, and the skills and experiences of members.

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	9.	To recommend to the Boards of Cendana subsidiaries, the appointment of suitable candidates (who are not the executives of Cendana Group) as NEDs, taking into account the size and collective skills and experiences of members of the respective Boards. Recommendations for appointment of local candidates as NEDs of subsidiaries, associates and joint venture companies in foreign jurisdictions are to be made by their own NRC (or any equivalent nominating committee). If these entities do not have their own NRC (or any equivalent nominating committee) then this provision shall apply to them.
	10.	To recommend to the Boards of the following entities, the appointments of executives from Cendana Group ("Cendana Executives") as Directors:– (i) Subsidiaries regulated by the Securities Commission Malaysia ("SC") or its equivalent in foreign jurisdictions ("Securities Regulated Companies"); (ii) Holding company of any Regulated Companies and/or Securities Regulated Companies; (iii) Associates or joint venture entities which are Regulated Companies or Securities Regulated Companies ("Associated Companies"); and (iv) Any other entities within Cendana Group which contributes 5% or more to the after tax profit of Cendana Group, hereinafter referred to as the "Identified Entities".
		<u>Board Committee</u>
	11.	To recommend to the Boards of subsidiaries (which do not have their own NRC), the establishment of their respective Board Committees including their remuneration package and any changes to the composition of the Board Committees of subsidiaries.
		<u>Managing Director ("MD") & Chief Executive Officer ("CEO")</u>
	12.	To consider establishing minimum criteria for the appointment of MD and the CEOs of the Identified Entities (i.e. on the required mix of skills, experience, qualification and other core competencies).
	13.	To recommend to the Boards of the Identified Entities the appointment of suitable candidates as CEO including their remuneration package.
		<u>Senior Officers</u>
	14.	To recommend to the Cendana Board, the appointment of suitable candidates as Senior Officers of Cendana including the promotion, confirmation and termination of their services, as well as the remuneration package, the compensation and benefits policies, the terms and conditions, including the job grade and the review thereof.

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	III. Remuneration	
	15.	To recommend to the Cendana Board, the remuneration framework for NEDs covering fees, allowances and benefits-in-kind for the Board and Board Committees of Cendana.
	16.	To recommend to the Boards of subsidiaries, the remuneration framework for NEDs covering fees, allowances and benefits-in-kind for all Boards and Board Committees of subsidiaries.
	17.	To recommend to the Cendana Board, the remuneration package for Senior Officers of Cendana and Other Material Risk Takers of Cendana and its subsidiaries.
	18.	To recommend to the Cendana Board, the establishment of new compensation and benefits policies/plans and the terms and conditions of service for executives Group-wide and any subsequent reviews and revisions thereof.
	19.	To recommend to the Cendana Board, the annual review on total rewards for employees of Cendana and its subsidiaries.
	IV. Performance and Fit and Proper Assessment of Directors & Company Secretary	
	20.	To assess the performance and effectiveness of individuals and collective members of the Boards and Board Committees of Cendana and its subsidiaries, as well as the procedure for the assessment and to make the necessary recommendations to the Boards of the respective entities.
	21.	To assess the fitness and propriety of Directors and Company Secretaries of Cendana in accordance with the Cendana Fit and Proper Policy to ensure that they are not disqualified and comply with the fit and proper requirements as may be specified under the Guidelines on the Registration of Venture Capital and Private Equity Corporations and Management Corporations ("VCPE") or other rules and regulations set up Securities Commission Malaysia or Capital Markets and Services Act 2007 ("CMSA") and to make the necessary recommendation to the Boards of the respective companies.
	22.	To recommend to the Boards of the respective entities the termination or removal of a Director of Cendana or its subsidiaries, if the Director concerned is ineffective, errant and negligent in discharging his duties if a Director or Company Secretary becomes disqualified and no longer complies with any of the fit and proper requirements as may be specified under the VCPE or CMSA.

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	23.	To consider and recommend to the Cendana Board or the Boards of its subsidiaries any other measures to upgrade the effectiveness of their Boards and individual board member.
	24.	To ensure that all Directors of Cendana and its subsidiaries receive appropriate and continuous training to keep abreast of the latest development in the industry.

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	V. Performance and Fit and Proper Assessment of Managing Director and Senior Officers	
	25.	To review and evaluate the performance of the Managing Director and to make the necessary recommendations to the Cendana Board on his total rewards and terms and conditions of service.
	26.	To oversee the review and performance evaluation of Senior Officers of Cendana and make the necessary recommendations to the Cendana Board on the appropriate rewards and revisions of their terms and conditions of services.
	27.	To assess the fitness and propriety of Senior Officers of Cendana in accordance with the Cendana Fit and Proper Policy to ensure that they are not disqualified and comply with the fit and proper requirements as may be specified under the VCPE and CMSA and to make the necessary recommendation to the Cendana Board.
	28.	To decide on disciplinary action and to recommend the termination or removal of Senior Officers of Cendana if they are ineffective, errant and negligent in discharging their duties or they become disqualified and no longer comply with any of the fit and proper requirements as may be specified under the FSA.
	29.	To review and decide on appeal cases involving demotion and dismissal of executives.
	VI. Others	
	30.	To approve the appointment of external consultants/advisors related to the NRC's areas of responsibility, subject to a limit of RM 200,000.00 per appointment (irrespective budgeted or unbudgeted).
	31.	To consider and recommend solutions on issues of conflict of interest affecting Directors of Cendana and its subsidiaries.
	32.	To recommend to the Cendana Board, appropriate policy or framework relating to tiering, categorization and classification of subsidiaries based on certain criteria as the NRC deems fit.
	33.	Such other responsibilities as may be delegated by the Board of Cendana from time to time.
	SECTION B - EMPLOYEES' SHARE GRANT PLAN	
		<p>In this section, the roles and responsibilities of the NRC in respect of administering the ESGP are set out below.</p> <p>I. To administer the ESGP in the NRC's absolute discretion, with due regard to its powers and authority as set out in this Terms of Reference and the By-Laws.</p>

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		<p>II. To recommend for the approval of the Cendana Board, the financial and performance targets/criteria prior to implementation of the ESGP, and to include other conditions relevant thereto, as it deems fit.</p> <p>III. To determine the ESGP Grant Date/ESGP Vesting Date.</p> <p>IV. To set, review and approve the ESGP Vesting Price, based on the value of the ESGP Shares with no entitlement to any discount, taking into account, among others, the VWAMP of Cendana Shares for the five (5) market days immediately preceding the ESGP Vesting Date (if applicable), for every vesting to be made to the Eligible Employees.</p> <p>V. To approve the allocation of shares to Eligible Employees, for each grant to be made throughout the duration of the ESGP in line with the plan design approved by the Cendana Board.</p> <p>VI. To construe and interpret the provisions of the ESGP By-Laws and the ESGP Shares granted under it as the NRC deems fit.</p> <p>VII. To define the terms of the ESGP By-Laws and to recommend to the Cendana Board to establish, amend and/or revoke rules and regulations relating to the ESGP in a manner and to the extent it is deemed necessary or expedient to promote the best interests of Cendana Group.</p> <p>VIII. To determine all questions of policy and expediency, that may arise in the administration of the ESGP and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interests of Cendana Group.</p> <p>IX. To recommend a review of the ESGP (including extending the scheme or terminating the scheme) to the Cendana Board as and when deemed necessary, to ensure that the ESGP remain competitive and viable to Cendana Group.</p> <p>X. To determine, review and approve the processes, procedures and guidelines pertaining to the administration of the ESGP.</p>
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EXPLANATORY NOTES FOR SECTION A

Explanatory Note (1)

All references to “Senior Officers of Cendana” in this Terms of Reference refer to the following positions:-

1. Managing Director
2. Members of the Group Executive Committee (“EXCO”)
3. Chief Financial Officer
4. Legal and Compliance Officer*
5. Group Company Secretary; and
6. Chief Sustainability Officer

* The appointment, remuneration, performance and termination of the Legal and Compliance Officer as recommended by the Audit Committee of the Board (“ACB”) is to be reviewed by the NRC in the context of alignment and consistency with the overall remuneration package/performance framework for Senior Officers of Cendana. In the case of any misalignment/inconsistencies, the NRC is to highlight such issues to the ACB for the latter’s further consideration

Explanatory Note (2)

All references to “Senior Officers of the Identified Entities” in this Terms of Reference refer to the following positions in the respective entities, where applicable:-

1. CEOs;
2. Direct Reports to the CEOs;
3. Chief Compliance Officer; and
4. Chief Internal Audit;

Explanatory Note (3)

All references to “Other Material Risk Takers” in this Terms of Reference refer to a list of officers to be maintained and reviewed by Group Human Resources.

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EXPLANATORY NOTES FOR SECTION B

Explanatory Note (1)

The following words shall have the same meanings assigned to it in the By-Laws:-

1. ESGP Grant Date
2. ESGP Vesting Date
3. ESGP Vesting Price
4. ESGP Shares
5. VWAMP
6. Eligible Employees

Explanatory Note (2)

In cases of dispute between eligible person/grantee and the NRC over the interpretations in the course of administering the ESGP, the matter shall be referred to the Cendana Board for a decision. The Cendana Board's decision shall be treated as final and binding after a review of the facts and basing on the overall intent of the scheme.