

SUNSURIA BERHAD
(Company No. 8235-K)
(Incorporated in Malaysia)

NOMINATION AND REMUNERATION COMMITTEE

TERMS OF REFERENCE

1. Purpose

The primary functions of the Nomination and Remuneration Committee ("NRC") are as follows:

Nomination

- (i) to oversee the selection and assessment of directors and to ensure that Board composition meets the needs of the Sunsuria Berhad ("**Sunsuria**" or "**the Company**");
- (ii) to propose new nominees to the Board of Directors of Sunsuria and any Committee of the Board; and
- (iii) to assess Directors on an ongoing basis.

Remuneration

- (i) to recommend to the Board the remuneration of the Executive Directors in all its forms, drawing from outside advice as necessary; and
- (ii) to assist the Board in determining the policy and structure for the remuneration of Directors and senior management of Sunsuria Group.

2. Composition

The NRC shall be appointed by the Board from amongst their number and shall comprise of at least three (3) Directors, all of whom shall be Non-Executive Directors and the majority of whom shall be Independent Non-Executive Directors/members.

The Chairman of the NRC shall be the Senior Independent Non-Executive Director appointed by the Board.

Members of the NRC may resign from the NRC with prior written notice to the Board and may continue to serve as directors of the Company. The NRC will review and recommend, to the Board for approval, another candidate to fill up such vacancy.

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Where the members of the NRC of the Company are reduced to less than three (3), the Board shall appoint such new members to fill up such vacancy as may be required to meet the minimum number of three (3) members.

The Board, may from time to time and in its absolute discretion, revise the composition of the NRC and the roles and responsibilities of the NRC.

The appointment of a member of the Board to the NRC shall be terminated immediately upon the member ceasing to be a director of the Company.

The Secretary of the Company or any other person appointed by the NRC shall act as the Secretary of the NRC.

3. Rights and Powers of the NRC

Generally and unless otherwise expressly authorised by the Board, the NRC is obliged to report its recommendations to the Board for consideration and implementation and shall not have delegated powers to implement its recommendations.

The NRC, in carrying out its duties and responsibilities, shall have:-

- (a) The resources which are required to perform its duties.
- (b) Full, free and unrestricted access to any information, records, properties and personnel of the Sunsuria Group;
- (c) To appoint external counsels or other advisers and approve the terms and conditions of the appointment and to obtain independent professional advice and services and to invite outsiders with relevant experience to attend the NRC meetings (if required) and to brief the NRC thereof if the NRC considers necessary for the performance of its duties; and
- (d) Access to the advice and services of the Secretary of the Company.

4. Meetings

The NRC shall meet at least once a year and/or as frequently as the NRC or the Chairman of the NRC shall decide. The Chairman or Secretary of the NRC on the requisition of the members, shall at any time summon a meeting of the NRC by giving three (3) days' advance notice or if the consent of all the members are obtained, by shorter notice. The notice and agenda of each of the NRC meeting shall be sent to all members of the NRC and any other persons who may be required by the NRC to attend. The NRC may regulate its own procedures from time to time to govern its meetings, keeping of minutes and its administration.

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No business shall be transacted at any meeting of the NRC unless a quorum of two (2) members is present. In the absence of the Chairman of the NRC, the remaining members present at the meeting shall elect one member amongst them to chair the meeting.

A member of the NRC shall excuse himself/herself from the meeting during discussions or deliberations or any matter which gives rise to an actual or perceived conflict of interest situation for him. Where this causes a lack of quorum, the NRC shall appoint another candidate(s) who meets the membership criteria.

Attendance of the meeting may be in person or by way of participation via video or telephone conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

Minutes of meeting shall be signed by the Chairman and circulated to each member of the NRC and the Board. The minutes shall be kept at the registered office of the Company under the custody of the Secretary of the Company and produced for inspection to the Board and external or internal auditors. Any request by the management or other persons to inspect the minutes shall be subject to the approval of the NRC.

Where only two (2) members are competent to vote on the question in issue and there is an equality in vote, the resolution shall be deemed not to have been passed, and the question in issue shall be tabled at the next meeting of the NRC or referred to the Board of Sunsuria Berhad, whichever is more expedient.

A resolution in writing signed by all members in lieu of convening a formal meeting shall be as valid and effectual as if it had 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.

The Chairman of the NRC shall report to the Board on all recommendations and findings of the NRC for the Board's attention and approval at the Board meeting.

5. Duties and responsibilities

In order to carry out the purpose of the NRC, the NRC's policies and procedures shall remain flexible to changes in circumstances and conditions that are in compliance with legal and regulatory requirements. The following are the main duties and responsibilities of the NRC respectively: -

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5.1 Nomination Functions and Duties

- (a) Recommend to the Board, candidates for all directorships in Sunsuria taking into consideration the candidates' skills, knowledge, expertise and experience; professionalism; integrity; commitment, contribution and performance of the candidate; and in the case of candidates for the position of independent non-executive directors, the NRC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors;
- (b) Make appropriate recommendations to the Board on matters of renewal or extension of directors appointment and re-appointment of retiring directors;
- (c) Consider, in making its recommendations, any candidates for directorships proposed by the Executive Chairman and, within bounds of practicability, by any other senior executive or any director or shareholder;
- (d) Recommend to the Board, directors to fill the seats on Board Committees. In respect of Audit Committee, to assess and ensure all Audit Committee members are financially literate and possess a wide range of necessary skills to discharge its duties.
- (e) Recommend and/or approve candidates for Senior Management positions in Sunsuria.
- (f) Review annually and assess performance of non-executive directors on annual basis; based on skills, experience and core competencies which non-executive directors should bring to the board and submit its recommendations to the board; and
- (g) Carry out a process implemented by the board on an annual basis for assessing the effectiveness of the board as a whole, the committees of the board and for assessing the contribution, time commitment and protocols for new directorships of each individual director including Independent Non-Executive Directors and Chief Executive Officer.
- (h) Assisting the Board in an annual review of the independence of the Independent Non-Executive Director.
- (i) Identify, consider and recommend potential candidates for appointment as Directors of Sunsuria and members of the Board Committees, relying on sources from existing Board members, Management, major shareholders, independent search firms and other independent sources.

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- (j) The CEO shall assist the NRC in ensuring that an appropriate succession planning framework, talent management and human capital development programme is in place for the position of the CEO and key pivotal positions. The NRC shall be apprised of the progress of the programme on a regular basis, and at least once a year.
- (k) Oversee succession planning for the Board Chairman and Directors.
- (l) To review the term of office and performance of the Audit Committee and each of its members annually to determine whether such audit committee members have carried out their duties in accordance with their terms of reference.
- (m) Identifying and recommending the appropriate continuing education/training programmes for the Board members, and Board Induction Programmes for newly appointed Board Members and to ensure a statement is made in the Annual Report by the Board containing a brief description on the type of training attended by Directors during the financial year.
- (n) Review and assess the independency of a long serving independent directors and recommend to the Board for Shareholders' approval on their re-appointment.
- (o) Establish a policy formalising approach to Board diversity and ensuring that women candidate(s) is/are sought as part of its recruitment exercise to maintain the boardroom diversity in the Company and ensure disclosure in Annual Report of gender diversity policies and targets and the measures taken to meet those targets.
- (p) Each NRC Member should abstain from discussion or voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.
- (q) Consider other matters as prescribed to the NRC by the Board.

5.2 Remuneration Functions and Duties

- (a) To formulate, review, advise and recommend the Group remuneration policy and framework of the Board, Board Committees, Executive Chairman, Nominee Directors on the functional board of the subsidiaries of Sunsuria and the Chief Executive Officer, and recommend to the Board for approval.
- (b) To recommend to the Board the remuneration and the terms and conditions of service of the Executive Directors of the Company,

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Chief Executive Officer and the Directors of subsidiary companies. The remuneration packages for Executive Directors of the Company shall be competitive, performance-based and reflective of their contributions to the Group's long-term growth and profitability, in line with corporate objectives and strategy.

- (c) To set, review, advise and recommend for the approval and endorsement of the Board an overall remuneration policy and framework, performance management philosophies and rewards structure for Senior Management in Sunsuria and the Group. These policies and framework will also be recommended for adoption by the Sunsuria Group, where applicable.
- (d) To make appropriate recommendations to the Board in relation to remuneration for Non-Executive Directors.
- (e) To formulate, review and recommend for the approval and endorsement of the Board an overall remuneration policy and framework, performance management philosophies and rewards structure for senior management in Sunsuria Group who are defined as direct reports to the Chief Executive Officer of the Company to ensure objectivity and adherence to the established scheme of service for employees. These policies and framework will also be recommended for adoption by the Sunsuria Group, where applicable.
- (f) To review and consider performance contracts and targets and the structure of rewards for the Executive Directors and Group Chief Executive Officer and assess the Executive Directors' and Chief Executive Officer's performance against these targets.
- (g) To review and recommend compensation commitments/severance payments for Executive Directors and Chief Executive Officer in the event of early termination of the employment/service contracts.
- (h) To approve remuneration packages, benefits as well as yearly performance evaluation and rewards and in the event of early termination of the employment/service contracts, compensation commitments/severance payment for the Senior Management of Sunsuria and of the Group.
- (i) To make recommendations to the Board in respect of the establishment of any incentive-compensation plans, share schemes, equity-based plans that apply to the eligible employees and eligible executives of the Group and be empowered to carry out all matters incidental thereto.

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- (j) To review performance of the Company and make recommendations to the Board in respect of annual bonus and increment allocations for eligible employees of the Group.
- (k) To conduct an annual evaluation of its own performance to ensure that it is meeting its responsibilities as set forth in this Terms of Reference.
- (l) To review this Terms of Reference annually and recommend to the Board any changes the NRC deems appropriate.
- (m) To consider other remuneration matters as prescribed to the NRC by the Board.

Whilst discharging the above duties, directors should abstain from discussion of their own remuneration.

6. Disclosure and Reporting

- (i) Ensure that a statement on its activities in the discharge of its nomination duties during the financial year is included in the Company's annual report.
- (ii) Ensure detailed disclosure on name basis for the remuneration of individual Directors stating the following:
 - (a) The remuneration received by the Directors of the Company, stating the amount they received from Sunsuria and the Group respectively;
 - (b) The amount in each component of the remuneration (e.g. fees, salaries, bonuses, benefits in kind and other emoluments based on an estimated money value) for each Director.
- (iii) Ensure detailed disclosure on named basis for the top five (5) Senior Management's remuneration components, which include salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000.

7. Confidentiality

All meeting papers, resolutions, minutes and deliberations of the NRC are strictly and highly confidential.