

SEDANIA INNOVATOR BERHAD
[Registration No. 201301044527 (1074350-A)]

TERMS OF REFERENCE OF REMUNERATION COMMITTEE
(Revised w.e.f. 28 March 2022)

Definition:

“Board” or “Directors”	: The directors for the time being of the Company or such number of them as have authority to act for the Company.
“CEO”	: The principal executive officer of the Company for the time being, by whatever name called, and whether or not he is a director.
“Committee” or “RC”	: The Remuneration Committee of the Company.
“Company”	: Sedania Innovator Berhad and by whatever name from time to time called.
“Group”	: The Company and its subsidiaries
“Secretary(ies)”	: Any person or persons jointly appointed to perform the duties of a secretary of the Company including any person(s) appointed temporarily and any representative of the secretary

1. Background

- 1.1 This Terms of Reference (“**TOR**”) has been developed to adopt Practice 7.2 of the Malaysian Code on Corporate Governance (“**MCCG**”) in tandem with the formation of a Remuneration Committee by the Board to implement the Group’s remuneration policies and procedures, including reviewing and recommending matters relating to the remuneration of board and senior management.

2. Composition and Membership

- 2.1 The Board must appoint the members of the Committee from amongst its directors, which comprise exclusively of non-executive directors, a majority of whom are independent.
- 2.2 The size of the Committee shall consist of not less than three (3) members.

3. Chairman of the Committee

- 3.1 The members of the Committee must elect a chairman among themselves who is an independent non-executive director.
- 3.2 If the Chairman is unable to attend the meeting, the members of the Committee may elect one of their numbers to be the chairman of the meeting.

4. Duties and Responsibilities of the Committee

- 4.1 The Committee, amongst others, shall discharge the following duties and responsibilities:
- (a) recommending to the Board the policy framework and remuneration structure for the executive and non-executive directors;

- (b) establishing a formal and transparent remuneration policies and procedures that takes into account the demands, complexities and performance of the Company as well as skills and experience required, which should be sufficient to attract, retain and motivate Directors and key management team of caliber needed to run the Group successfully. Executive directors are to abstain from deliberations and voting on the decision in respect of their own remuneration package;
- (c) review and assess the remuneration packages for the Directors and key senior management in all forms, drawing advice from experts, if necessary. The remuneration packages shall be determined on the basis of the Directors' and key senior management's merit, qualification and competences, while having regard to the Group's operating results, individual performance and comparable market statistics, which are aligned with the business strategy and long-term objectives of the Group. In addition, the performance of the Group in managing material sustainability risks and opportunities should also be considered;
- (d) the determination of remuneration packages of non-executive directors, including non-executive chairman should be decided by the Board as a whole. The individuals concerned should abstain from discussion of their own remuneration;
- (e) establishing a formal and transparent procedure for developing policy on the total individual remuneration package of executive directors, CEO and/or other designated executive management including, where appropriate, bonuses, incentives and share options;
- (f) assisting the Board in assessing the responsibility and commitment undertaken by the Board membership;
- (g) fees are to be paid to Directors only with the approval of shareholders at general meetings;
- (h) reviewing and presenting recommendations to the Board regarding the remuneration and conditions of service of the executive directors and key management team, in all its form including the grant of entitlement under any share schemes;
- (i) ensuring corporate accountability and good governance in respect of the remuneration of the Directors and key management personnel and other relevant functions; and
- (j) carry out such other assignments as may be delegated by the Board.

5. Attendance of Other Directors, Employees and External Parties

- 5.1 The Committee may invite other Directors and employees, including external parties or other consultants to attend any particular Committee meeting to brief the Committee on issue that are set out in the meeting agenda.

6. Procedure of the Committee Meetings

6.1 Frequency of Meetings

The Committee shall meet at least once a year and otherwise as required.

6.2 Quorum

- (a) The quorum necessary for the Committee meeting shall be at least two (2) members, whom are independent Non-Executive Directors.

- (b) A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested by the Committee.

6.3 Secretary(ies)

The Company Secretary(ies) shall be the Secretary(ies) of the Committee.

6.4 Notice of Meetings

- (a) Meetings of the Committee shall be summoned by the Secretary(ies) at the request of any of its members.
- (b) Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee through post, facsimile, electronic mail or by any means of telecommunication in permanent written form, no later than seven (7) days before the date of the meeting. Other supportive and informative materials will be delivered to each Committee member and to other attendees at least three (3) days before the meeting.
- (c) The written notice of special/emergency meetings, prepared agenda and other supportive and informative materials shall be delivered to all Committee members at least twenty-four (24) hours before the meeting.

6.5 Proceedings of Meeting

The Committee may hold a meeting at two (2) or more venues within or outside Malaysia using any technology that gives the Committee members a reasonable opportunity to participate. The Committee members may participate in a meeting of the Committee by means of a teleconference, videoconference or by other communications equipment whereby all persons participating in the meeting can hear each other and be heard for the entire duration of the meeting, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. The Committee members participating in any such meeting shall be counted in the quorum for such meeting and subject to there being a requisite quorum present, all resolutions agreed by the Committee members in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Committee members duly convened and held. Any meeting held in such manner shall be deemed to be held at the place agreed upon by the Committee members attending the meeting, provided that at least one (1) of the Committee members present at the meeting was at the place for the duration of the meeting.

6.6 Minutes of Meetings

- (a) The Secretary(ies) shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- (b) The Secretary(ies) should ascertain, at the beginning of each meeting, the existence of any conflict of interest and minute them accordingly.
- (c) Minutes of the Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board for their notation.
- (d) The Secretary(ies) shall keep record of all conclusions and resolutions passed at all Committee meetings, including the names and signatures of the attendants.
- (e) The Minutes of the Committee's meetings shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if

so signed, shall be conclusive evidence of the proceedings of the meeting duly held.

- (f) Full minutes of the Committee meetings shall be kept by the Secretary(ies) at the registered office.

6.7 Circular Resolution

A resolution in writing signed, confirmed or approved by letter, telegram, telex or facsimile, email or other means of written communications by majority of the Committee members shall be valid and effectual as if it has been passed at a meeting of the Committee duly called and constituted provided that such number of members approving the resolution is sufficient to constitute a quorum and any such signed resolution, confirmation or approval by letter, telegram, telex or facsimile, email or other means of communications may consist of several or disparate forms of communication, each signed, confirmed or approved by any one or more members. All such resolutions shall be described as "Remuneration Committee's Circular Resolutions" and shall be forwarded or otherwise delivered to the Secretary(ies) without delay, and shall be recorded by him/her in the Company's minute book. Any such resolution may consist of several documents in like form, each signed by one or more members. The expressions "in writing" and "signed" include approval by any such member by telefax or any form of electronic communication approved by the members for such purpose from time to time incorporating, if the members deem necessary, the use of security and/or identification procedures and devices approved by the members.

6.8 Reporting

The Chairman shall report on each meeting of the Committee to the Board regarding all relevant matters and appropriate recommendations, for notation or approval by the Board.

6.9 Annual General Meeting ("AGM")

The Chairman of the Committee shall attend the AGM and prepared to respond to any shareholder's question on the Committee's activities.

7. Rights of the Committee

7.1 The Company must ensure that wherever necessary and reasonable for the performance of its duties, the Committee must, in accordance with a procedure to be determined by the Board and at the cost of the Company:

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company;
- (d) be able to obtain independent professional or other advice; and
- (e) be able to convene meetings excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

8. Review of the Terms of Reference

8.1 This TOR shall be assessed, reviewed and updated where necessary. All amendments to the terms of reference, as recommended by the Committee, must be approved by the Board.

9. **Effective Date**

9.1 This TOR shall be effective on 28 March 2022.

History

Version Number	RC's approval Date	Effective Date
Version No. 1	10 April 2015	10 April 2015
Version No. 2	23 March 2016	23 March 2016
Version No. 3	28 March 2022	28 March 2022

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