



MAA GROUP BERHAD
Registration No.: 199801015274 (471403-A)

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

1.0 MEMBERSHIP AND COMPOSITION

1.1 The NRC shall consist exclusively of Non-Executive Directors, of not less than three (3) members appointed by the Board of Directors (“the Board”), the majority of whom shall be independent and free from any business or other relationship which could interfere with the exercise of independent judgment or the ability to act in the best interests of the Company in carrying out the functions of the Committee.

1.2 A majority of the NRC shall not:

- (a) be a major shareholder of the Company or any related corporation;
- (b) be acting as nominee or representative of any executive director or major shareholder or the Company or any related corporation. Relative covers the spouse, parent, brother, sister, child (including adopted or step child) and the spouse of such brother, sister or child;
- (c) have been engaged as a professional advisor by the Company or any related corporation either personally or with other person or through a firm or company of which he is a partner, director or major shareholder, as the case may be, the value of which in aggregate is more than 5% of his gross revenue on a consolidated basis (where applicable) of the said director or the entity or RM1.0 million, whichever is the higher;
- (d) have been engaged in any transaction with the Company under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has engaged in any transaction with the Company under such circumstances as prescribed by the Exchange.

*Definition of Independent
Director
Practice Note 13 –
Para 4*

1.3 The NRC shall elect a chairperson from among its members who is an independent non-executive director or senior independent non-executive director of the Company.

*Cross Reference:
Practice 1.4 of the
MCCG,
the Chairman of the
Board should not be a
member of the NRC.*

- 1.4 In the event that a member of the NRC resigns, dies or for any other reason ceases to be a member resulting in the number of members reduced to under three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members, the majority of whom must be Independent Directors.

2.0 PURPOSE

- 2.1 The NRC is responsible to assist the Board in succession planning and appointment of board members as well as annual evaluation of the performance of the Board, Board Committees and individual Directors, and developing and administrating the appropriate remuneration policies applicable to Directors, Group Managing Director ("GMD") / Group Chief Executive Officer ("GCEO") and key senior officers.

3.0 QUORUM AND PROCEDURE

- 3.1 The NRC shall meet at least once a year or more frequently as circumstances require.
- 3.2 A quorum shall consist of at least two (2) NRC members, the majority of the members present shall be Independent Directors.
- 3.3 In the absence of the Chairman, the NRC shall appoint one of the Independent Non-Executive members present to chair the meeting.
- 3.4 In addition, the chairperson shall convene a meeting of the NRC if requested to do so by any member of the Board to consider any matters within the scope and responsibilities of the NRC.
- 3.5 A member of the NRC shall abstain from participating in discussions and decisions on matters directly involving him/her to avoid a conflict of interest situation.
- 3.6 The NRC may invite any persons to be in attendance to assist in its deliberations.
- 3.7 The Secretary of the Company shall also be the Secretary of the NRC. The Secretary shall be responsible for drawing up the agenda in consultation with the Chairperson and shall be responsible for keeping the minutes of the meeting of the NRC, circulating them to NRC members. The agenda together with relevant explanatory papers, minutes of meetings and documents shall be circulated to all the members of the NRC and the Board prior to each meeting.
- 3.8 The Chairman of the NRC shall report on each meeting to the Board.
- 3.9 The decision that gained the majority votes shall be the decision of the NRC. In the event of an equality of votes, the Chairman of the NRC shall be entitled to a second or casting vote.

4.0 COMMUNICATION TO THE BOARD

- 4.1 The minutes of each NRC meeting shall be distributed to each member of the NRC and the Board and tabled to the Board for notation.
- 4.2 The NRC may from time to time submit to the Board its recommendation on matters within its purview, for the Board's decision.
- 4.3 The NRC shall also prepare a report on the effectiveness of the Board as a whole and the individual performance of each Director.

5.0 CIRCULAR RESOLUTION

- 5.1 A resolution in writing signed by a majority of all members shall be valid and effectual as if it had been passed at a meeting of the NRC. All such resolutions shall be described as "Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in the like form, each signed by one (1) or more members. The expressions "in writing" or "signed" include approvals by legible confirmed transmissions by facsimile or other forms of electronic communications.

6.0 AUTHORITY

- 6.1 The NRC is authorised by the Board to undertake the specific duties and responsibilities stated below. It has full and unrestricted access to all information and documents it requires for the purpose of carrying out its duties and responsibilities.
- 6.2 The NRC is entitled to the services of a company secretary who must ensure that all appointments are properly made, that all necessary information is obtained from directors, both for the Company's own records and for the purpose of meeting statutory obligations, as well as obligations arising from the Listing rules of Exchanges or other regulatory requirements, where relevant.
- 6.3 The NRC is also authorised to obtain external legal or other independent professional advice, as it considers necessary.

7.0 DUTIES AND RESPONSIBILITIES

- 7.1 The NRC shall be responsible on Nomination and Remuneration matters as follows :

A. In relation to Nomination matters :

- a) In relation to nomination matters assessing and recommending to the Board the candidature of directors whether of executive or non-executive position and/or independent directors to fill board vacancies as and when they arise based on the following:

- To review the size, overall composition, mix of skills, experience, competency and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board and Group as well as the balance between executive directors and non-executive and independent directors, gender diversity taking note that Malaysian Code on Corporate Governance (“MCCG”) has recommended that the board should comprise at least 30% women directors with other core competencies required through annual reviews;
- Whether the proposed candidate has satisfactorily complied with the terms and conditions laid out in the Fit and Proper Policy and executed the supporting Declarations that he/she has met the criteria on :
 - (i) Probity, Personal integrity and reputation
 - (ii) Competence capability
 - (iii) Financial integrity
 - (iv) Other criteria as contained in the Fit and Proper Policy

Cross reference
Board Matrix
(i)
(ii) *Practice 5.9 of the MCCG 2021, and Paragraph 15.08A (3)(a) of the Bursa LR*

Cross reference
Fit and Proper Policy which was required by Bursa via their letter of 19/1/2022

b) To conduct rigorous review to determine whether a director can continue to be independent in character and judgement, and also to take into account the need for progressive refreshing of the Board.

c) Assessing and recommending to the Board the appointment of directors to the Board Committees, review of the training programs for the Board and establish appropriate framework and plans for succession at Board level to ensure that the Board is comprised of Directors with the skills and experience relevant to the Company’s strategic direction and objectives ;

Cross reference
Training Policy & PN 5 – Training for Directors

d) In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing directors, management or major shareholders, but should be open to utilize independent sources.

Cross reference
MCCG 5.6

e) Establishing and implementing a mechanism for formal assessment on an annual basis for assessment of the effectiveness of the Board as a whole and establishing the mechanism to assess the contribution by each director, the effectiveness of the Board as a whole, the contribution of the Board’s various committees and the independence of the Independent Directors, particularly when there is any new interests or relationships surface and where the tenure of the independent director will be exceeding the cumulative term of nine (9) years ;

f) Reviewing the results of the Board’s performance evaluation and recommends to the Board the initiatives/improvements moving forward to enhance the effectiveness of the Board ;

- g) Recommending to the Board :
- whether Directors who are retiring by rotation should be put forward for re-election ;
 - whether to re-elect any independent Director beyond the cumulative term of nine (9) years with justification following rigorous review to determine independence of the director ; and
 - termination of membership of individual Directors in accordance with policies for cause or other appropriate reasons ;

*Cross reference
nine (9) year tenure of
INED
&
Practice 5.3 of the MCCG
2021*

- h) The NRC is to consider the board/committee evaluation to be facilitated by a professional, experienced and independent party on a periodic basis to lend greater objectivity to the assessment by providing an unbiased perspective on a director's performance and his ability to contribute effectively to the Board.

*Guidance 6.1 of the
MCCG 2021*

- i) Evaluating and recommending to the Board on the appointment, promotion and transfer and dismissal of Executive Director(s) and Senior Management if he is errant, negligent or is incapacitated in discharging his responsibilities;
- j) Reviewing and setting policies and procedures on human resources matters pertaining to Senior Management ;
- k) Developing policies and recommending appropriate proposals to facilitate the recruitment and retention of Senior Management as well as a development program for Senior Management including succession planning ;
- l) Recommending to the Board to review and approve the appointment and promotion of Senior Management as well as the extension and termination of service/contract and renewal of contract of Senior Management ;
- m) Reviewing and considering the directorships of Senior Management on the Board of subsidiaries of the Group ;
- n) Establish the scope of work for the Board, the Executive Directors and the GCEO and Chief Operating Officer of the Company, and its subsidiary(ies), where applicable, to perform their responsibilities effectively ;
- o) Facilitating and ensuring that all directors of the Company and subsidiaries undergo appropriate induction programs and receive continuous training ;
- p) Reviewing the terms of office and performance of the audit and governance committee and its members on an annual basis;

*Cross reference
Succession Planning
Policy*

- q) Recommend the engagement of external professional advisors and/or advise the NRC, on selection succession policy matters, where necessary;

*Cross reference
Procedure for
Engagement of
Professional Advisors
Policy*

- r) Undertaking such other tasks as directed by the Board.

B. In relation to remuneration matters :

- i) to recommend a framework of remuneration for directors, chief executive officer and key senior officers of the Company and its subsidiary companies, taking into account the following:
- reflect the skills, experience and level of responsibility borne by individual directors, the chief executive officer and key senior officers;
 - sufficient to attract and retain directors, chief executive officer and key senior officers of caliber needed to manage the Company successfully;
 - demands, complexities and performance of the Company; and
 - balanced against the need to ensure that the funds of the Company are not used to subsidise excessive remuneration packages;

*Cross reference
Procedure for
determining the
remuneration of
Directors, GCEO, GMD
and Key Senior Officer
&
Practice 7.1 of the MCCG
2021*

The remuneration framework shall be subject to the approval of the full board of the Company and the respective full board of the subsidiary companies, and duly documented. The NRC may review the remuneration framework as may be necessary, and any changes thereto should be subject to the endorsement of the full board of the Company and the respective subsidiary companies, as the case may be;

- ii) to recommend suitable remuneration packages for directors, chief executive officer and key senior officers of the Company and its subsidiary companies within the approved remuneration framework and based on the following:
- objective consideration and approved by the full Board;
 - how effective have the directors and senior management been to be able to identify, manage, address and achieve sustainability targets.
 - assessments by the NRC of the effectiveness and contribution of the director, chief executive officer or key senior officer concerned;
 - shall not be decided by the exercise of sole discretion of any one individual or restricted group of individuals; and
 - competitive and is consistent with the Company's culture, objective and strategy.

iii) to undertake such other matters as the Board thinks fit.

8.0 REPORT TO THE BOARD OF DIRECTORS

- 8.1 The NRC is not a decision making body and shall report its recommendation to the full Board and its subsidiary companies, as the case may be, for the final decision.