

## **SHIN YANG GROUP BERHAD**

### **TERMS OF REFERENCE OF JOINT REMUNERATION AND NOMINATION COMMITTEES**

#### **1.0 OBJECTIVES**

- i. To provide a formal and transparent procedure for the appointment of directors and Key Senior Management, as well as assessment of the effectiveness of individual directors, the board as a whole and the performance of the Key Senior Management of the Company.
- ii. To provide a formal and transparent procedure for developing a remuneration policy for directors and Key Senior Management of the Company.

#### **2.0 COMPOSITION**

- i. The Committee shall be appointed by the Board from among the non-executive Directors and shall comprise at least three (3) members of whom a majority shall be independent directors.
- ii. The Board shall elect a Chairman from among the members, who shall be an independent director.
- iii. The Company Secretary or such other person(s) authorised by the Board shall act as the Secretary to the Committee.
- iv. If for any reason the number of members at any point in time is reduced to below three (3), the Board shall fill the vacancies within three (3) months.

#### **3.0 MEETINGS**

The Committee shall hold at least one (1) meeting per year or more as the Committee deemed necessary to fulfill its duties.

- i. A quorum shall consist of not less than two (2) members.
- ii. In the absent of the Chairman of the Committee, the remaining members present shall elect one (1) of their members to preside as chairman of the meeting.
- iii. The Chairman may invite external professional advisers, consultants or legal advisers to be in attendance to assist it in its deliberations.
- iv. A meeting may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
- v. A resolution in writing signed or approved by the members of the Committee who are sufficient to form a quorum, shall be as effective for all purposes as a resolution of the members of the Committee passed at a meeting duly convened, held and constituted.
- vi. The Committee shall report to the Board and its minutes tabled and noted by the Board.
- vii. The minutes book shall be kept by the Company at the registered office and shall be open for inspection by any member of the Committee and the Board of Directors.

#### **4.0 DUTIES**

The Committee shall:-

- i. Recommend to the Board, on appointment of directors and Key Senior Management by evaluating and assessing the suitability of the candidate(s).
- ii. Annually assess the effectiveness of the Board as a whole, and each individual director, taking into consideration the required mix of skills, expertise, experience, performance, commitment and other requisite qualities including core competencies of the Directors.
- iii. Annually review the term of office and performance of the Audit and Risk Management Committee and each individual members to determine whether such Audit and Risk Management Committee and members have carried out their duties in accordance with their term of reference.
- iv. Determine appropriate training for directors and review the fulfilment of such training requirements.
- v. Ensure that the remuneration policy for Executive Directors and Key Senior Management links level of remuneration with individual performance against agreed targets or key performance index, and shall include salaries, fees, benefits, bonuses, incentives, entitlements, pensions, allowance or compensation payable upon termination of service contract by the Company (if any).
- vi. Annually review and recommend to the Board of Directors on the remuneration packages of Executive Directors and Key Senior Managements.

#### **5.0 REPORTING PROCEDURES**

- i. The final decisions as to who shall be nominated to the Board as Director or to Board Committees or to fill the Key Senior Management positions, should be the responsibility of the full Board after considering the recommendations of the Committee.
- ii. The remuneration packages of Executive Directors and Key Senior Managements shall be the ultimate responsibility of the Board of Directors after considering the recommendations of the Committee
- iii. The remuneration packages for Non-executive Directors' remuneration packages will be a matter to be decided by the Board as a whole.
- iv. The particular director shall not participate in deliberation, decisions and voting on their respective remuneration packages.
- v. The Committee reports to the full Board from time to time its recommendations for Board's consideration and implementation.

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