

## **TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE**

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### **1.0 Constitution**

The Nomination and Remuneration Committee ("**NRC**") is established as a committee of the Board of Directors of Tropicana ("the Board"), who authorises the Terms of Reference ("**TOR**") of the NRC.

### **2.0 Objectives**

The principal objectives of the NRC are as follows:-

- 2.1 to assess and recommend suitable candidates for appointment to the Board and Board Committees of the Company on an ongoing basis, with a view to ensure that the Board composition meets the needs, objectives and aspirations of the Company that the recommended candidates can contribute to the existing Board and the Group. Considerations should be given to the competencies, commitment, contribution and performance.
- 2.2 to assist the Board in reviewing on an annual basis the appropriate size and balance of the Board, with the view to ensure that the Board has the appropriate size, mix of skills, knowledge, competencies, experiences, resources and time commitment and other qualities. The NRC shall take into account diversity in addressing the Board's composition.
- 2.3 to recommend to the Board, the compensation and benefits including bonuses and severance payments of the following officers to ensure adequate, fair and competitive compensation and benefits, thereby enabling the Group to attract, retain and motivate high calibre officers such as Executive Director ("**ED**"), Non-ED, Group Chief Executive Officer ("**Group CEO**"), Group Managing Director ("**Group MD**") and Senior Management who hold the key pivotal positions of the Company ("Collectively referred to as **Key Personnel**").

The compensation and benefits shall be aligned with the business strategy and long-term objectives of the Group, and shall reflect the calibre, competency, experience, skills, expertise, responsibilities and commitment of the Key Personnel as well as the complexity of the Group's activities. Thus, the components of the compensation and benefits of the Key Personnel shall be structured so as to link rewards to corporate and individual performance.

In the case of Non-EDs, the level of remuneration shall reflect the contributions, commitment, experience, expertise and responsibilities undertaken by the particular Non-ED concerned and the complexity of the Group's activities.

### **3.0 Composition**

The NRC shall be appointed by the Board from amongst the Non-Executive Directors and shall consist of not less than three (3) members, a majority of whom being independent and Non-EDs. In any event the number of NRC falls below 3, the vacancy shall be filled as soon as possible, but shall not be later than 3 months of that vacancy.

### **4.0 Chairman**

The Chairman of the NRC shall be the Independent Non-Executive Director ("**INED**") or a Senior Independent Non-Executive Director ("**SINED**") identified by the Board. In the absence of the Chairman of the NRC, the members may elect among themselves the Chairman for the meeting.

## **5.0 Authority**

The NRC is authorised by the Board to have full, free and unrestricted access to the relevant records of the Company.

The NRC is authorised by the Board to seek any information it requires from any employee of the Company/Group in order to perform its duties.

The NRC is also authorised by the Board to engage/obtain, at the Company's expense, outside legal or other professional and/or independent advice on any matters within its terms of reference and/or to carry out its duties.

The NRC makes no decision on behalf of the Board but makes recommendations to the Board.

The EDs and Non-EDs shall abstain from the deliberations and voting in respect of their own remuneration.

The NRC is also authorised by the Board to engage and obtain, at the Company's expense, outside legal or other professional and/or independent advice to carry out its duties.

A member of the NRC shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to a situation of an actual or perceived conflict of interest for the member concerned. Where this causes insufficient members to make up a quorum, the Board has the right to appoint another member of the Company, which meets the membership criteria.

## **6.0 Duties**

6.1 To assess and recommend to the Board, the appointment of suitable candidates, whether Executive or Non-Executive position to fill the seats on the Board and the Group which should fairly reflect the investments of the Company in its entities.

The NRC is to also consider and recommend to the Board the composition of the Board must be at least 2 directors or 1/3 of the board of directors whichever is the higher, are independent directors.

6.2 To consider and recommend to the Board, appointment of SINED. In considering the candidate for the position of a SINED, the NRC shall access the required knowledge and other qualities necessary for the effective discharge of his/her responsibilities.

6.3 To assess and recommend to the Board, suitable Directors to fill the seats of Board Committees of the Company taking into account the size of the Board and Board Committees, and the skills and experiences of the members.

6.4 To recommend to the Board a policy formalising its approach to boardroom diversity, including gender diversity, to recommend the targets to be met and to discuss measures taken to meet those targets. The Company's gender diversity policies and targets and the measures taken to meet those targets are to be disclosed in the annual report.

6.5 To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors of the Company.

- 6.6 To facilitate Board induction programme for newly appointed Directors of the Company.
- 6.7 To determine appropriate orientation and training needs for the Directors of the Company, to review the fulfillment of such training, and to disclose a brief description on the type of trainings attended by the Directors during the financial year in the annual report of the Company in accordance with the requirements of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("MMLR").
- 6.8 To annually assess the effectiveness of the Board as a whole, the Board Committees (including its size and composition) and the contribution of each individual Director of the Company, including his time commitment, character, core competencies, experiences, skills and integrity. The method/approach of the assessment and outcome of the evaluation should be documented and disclosed in the Company's annual report.
- 6.9 To annually assess the effectiveness and performance of the Executive Directors of the Company;
- 6.10 To annually assess the effectiveness and performance of the Senior Management of the Company.
- 6.11 To conduct annual assessment on the independence of the Independent Directors of the Company, and to disclose in the annual report that such assessment has been conducted and in any notice convening a general meeting for the appointment and re-appointment of independent directors.
- 6.12 To conduct assessment on the independence of an Independent Director of the Company in the event of a proposal to retain him as an Independent Director albeit having served a cumulative term of nine years and more in line with the requirements prescribed in the Malaysia Code on Corporate Governance ("**MCCG**").
- 6.13 Upon completion of the 9 years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval.
- 6.14 If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process
  - (i) Tier 1: Only the Large Shareholder(s) of the company votes; and
  - (ii) Tier 2: Shareholders other than Large Shareholders votes.
- 6.15 To consider and recommend to the Board, for appointment, re-election and reappointment of retiring Directors by shareholders at each annual general meeting in line with the requirements as prescribed in the MMLR, MCCG and any other regulatory requirements.
- 6.16 To recommend to the Board, the removal of Director of the Company if he/she is ineffective, errant or negligent in discharging his/her responsibilities.

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- 6.17 To review the terms of office and performance of the Audit Committee ("AC") and each of its members annually to determine whether the AC and its members have carried out the duties in accordance with its TOR.
  - 6.18 To ensure an appropriate framework and plan for the succession of the Board of the Company.
  - 6.19 To ensure that a statement on the activities of the NRC in the discharge of its nomination duties for the financial year is included in the Company's annual report.
  - 6.20 To carry out such other responsibilities as may be delegated by the Board from time to time and such other matters as the NRC considers appropriate.
  - 6.21 To establish policy framework and procedures on the compensation and benefits of the EDs, Non-EDs and Senior Management.
  - 6.22 To structure the compensation and benefits of the Key Personnel among others in relation to the salaries payable to the Group CEO, Group MD and EDs of the Group which must not include a commission on or percentage of turnover whilst fees payable to Non-EDs must be by a fixed sum, and not by a commission on or a percentage of profits or turnover or revenue.
  - 6.23 To review the disclosures to be made in the annual report in relation to the policies and procedures established on the compensation and benefits of the Key Personnel, when necessary.
  - 6.24 To ensure that the remuneration package of the EDs aligned with their skills and responsibility and sufficient to attract, retain and motivate the EDs in order to achieve the Company strategic objectives.
  - 6.25 To ensure through the Board as a whole that the remuneration payable to Non-EDs commensurated with their experience, independency and time cost to discharge their duties and responsibilities.
  - 6.26 To ensure the remuneration package of the Senior Management reflect their individual performance, skills and experience, level of responsibility as well as the comparable market statistics.
  - 6.27 To obtain advice and information from external source to compare the remuneration earned by the Company's Key Personnel with the remuneration package paid to Key Personnel of other companies of a similar size in a comparable industry sector, where necessary.
  - 6.28 To recommend to the Board the annual bonus and salary increment framework/quantum for the Tropicana Group.
  - 6.29 To review the policies and procedures of the Company's remuneration framework periodically.
  - 6.30 To ensure that a statement on the activities of the NRC in the discharge of its remuneration duties for the financial year is included in the Company's annual report.
  - 6.31 To carry out such other responsibilities as may be delegated by the Board from time to time and such other matters as the NRC considers appropriate.

## **7.0 Procedures for new nomination and yearly review:-**

- 7.1 The curriculum vitae (“CV”) and updated CV of all candidates or Directors of the Company should be submitted to the NRC and should be kept by the Company Secretary. The CV and updated CV would be used by the NRC for annual review.
- 7.2 For new appointment to the Board, the NRC shall consider candidates for directorships proposed by any Director or shareholder of the Company or, within the bounds of practicality, by the Group Deputy Chairman or any other senior executive.
- 7.3 To include to invite to meet up with NRC prior to any appointment.
- 7.4 In making its recommendations, the NRC should make reference to the Fit and Proper Policy and consider the following criterias and factors of a potential candidate:-
  - 7.4.1 skills, knowledge, expertise and experiences;
  - 7.4.2 professionalism;
  - 7.4.3 ability to commit;
  - 7.4.4 ability to contribute and perform;
  - 7.4.5 character, integrity and competence;
  - 7.4.6 including gender diversity;
  - 7.4.7 for the position of SINED/ (“INED”), the NRC shall also evaluate a candidate’s ability to discharge such responsibilities/ functions as expected from the SINED/INEDs.; and
  - 7.4.8 Crest rating/CTOS rating.
- 7.5 All assessments and evaluations carried out by the NRC in the discharge of all its functions are to be properly documented.
- 7.6 Only NRC to attend the NRC meetings. However, Senior Management and external advisers maybe invited to attend for/part of the meeting, as and when appropriate and necessary or if requested, to do so by the terms of any agreement entered into by the Company.
- 7.7 Other members of the Board and Management may attend for/part of the meeting, as and when appropriate upon the invitation of NRC.

## **8.0 Conflict of Interest**

A member of the NRC shall excuse himself/herself from the meeting during discussions or deliberations of any matter which give rise to a situation of an actual or perceived conflict of interest for the member concerned. Where this cause insufficient member to make up a quorum, the NRC has the right to appoint another Director of the Company, which meets the membership criteria.

## **9.0 Limited Liability**

- 9.1 The deliberations of the Committee do not reduce the individual and collective responsibilities of the Board, with regard to their fiduciary duties and responsibilities, and they must continue to exercise due care, skill and judgment, in accordance with their legal and statutory obligations.
- 9.2 Subject to the provisions and any relevant legislation and codes of best practice, the members of the Committee shall not attract any personal liability arising from their appointment and the Company shall indemnify the Committee members to the extent possible in terms of its approved Directors’ and Officers’ liability insurance coverage (“DOI”).

## **10.0 Secretary**

The Company Secretary of the Company shall be the Secretary of the NRC or his/her nominee shall be the Secretary of the NRC.

## **11.0 Meeting Procedures**

### **11.1 Frequency and calling**

The NRC shall meet at least once a year. More meetings may be convened when the need arises. The Chairman is required to call for a meeting of the NRC, if requested to do so by any NRC members or the Board.

### **11.2 Notice**

The notice period convening the meeting of the NRC shall be at least seven (7) clear days, which may be waived with the consent of the majority of the NRC members.

### **11.3 Quorum**

A minimum of 2 independent directors shall form a quorum

### **11.4 Recommendation to the Board**

Recommendation to the Board during NRC meetings must be supported by a majority of the NRC members, who are not interested in the transaction. In the case of an equality of votes, the Chairman of the committee meeting shall have a second or casting vote.

### **11.5 Participation in meetings by conferencing**

All or any members of the NRC may participate in a meeting of the NRC by means of a telephone conference, video conference or any communication technology, which allows all members of the NRC participating in the meeting to communicate simultaneously with each other. A member of the NRC so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or if there is no such group, the meeting shall be deemed held at the registered office of the Company.

### **11.6 Minutes**

Minutes are to be kept at the registered office and distributed to each NRC and members of the Board. The minutes of the NRC meeting shall be signed by the Chairman of the meeting presided or by the Chairman of the next succeeding meeting.

## **12.0 Written Resolutions in circulation**

A resolution in writing signed or approved by letter, telegram, telex, telefax or other written electronic communications by the majority of the NRC members, shall be as valid and effectual as if it had been passed at a meeting of the NRC duly called and constituted. All such resolutions shall be described as "Nomination and Remuneration Committee's Written Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more NRC member(s).

## **13.0 Review of the Terms of Reference**

The NRC shall recommend any change to its TOR in such manner as the NRC deems appropriate to the Board for approval. The TOR shall be assessed, reviewed and updated where necessary.

**14.0 Dissolution**

The NRC shall be dissolved upon recommendation and decision of the Board in line with new developments and guidelines concerning Corporate Governance practices as issued by relevant regulatory authorities.

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Terms of reference wef: Board of Directors' meeting held on 28 November 2023