

TERMS OF REFERENCE FOR REMUNERATION COMMITTEE

1. Introduction

- (a) The Remuneration Committee (“**the Committee**”) of NationGate Holdings Bhd is formed and approved by the Board of Directors of the Company.
- (b) Unless otherwise stated, the following shall apply:
 - (i) “Board” means the Board of Directors of the Company;
 - (ii) “Bursa Securities” means Bursa Malaysia Securities Berhad;
 - (iii) “Chairman” means the chairman of the Committee and is used in a gender neutral sense;
 - (iv) “Company Secretary” means the Board secretary(ies) or the person(s) normally exercising the functions of a Board secretary;
 - (v) “Directors” means members of our Board;
 - (vi) “Independent Director” is defined in accordance with Paragraph 1.01 of the Listing Requirements;
 - (vii) “Listing Requirements” means Main Market Listing Requirements of Bursa Securities’
 - (viii) “Management” means the executive Directors and key management personnel of the Company;
 - (ix) “Shareholders” means the shareholders of the Company;
 - (x) “the Company” or “NationGate” means NationGate Holdings Bhd; and
 - (xi) “the Group” means NationGate Holdings Bhd and its subsidiaries.
- (c) The primary function of the Committee, in line with the following statutory provisions and documents namely:
 - (i) Company’s Constitution;
 - (ii) Listing Requirements;
 - (iii) Malaysian Code on Corporate Governance 2021 (“**the Code**”);
 - (iv) Corporate Governance Guide – 4th Edition (“**the Guide**”) issued by Bursa Securities in 2021;
 - (v) Capital Markets and Services Act 2007; and
 - (vi) Companies Act 2016 (“**CA 2016**”)

is to review before recommending to the Board the remuneration package of executive Directors, non-executive Directors and senior Management reporting directly to the Group Managing Director (“**Group MD**”) of the Company to attract, retain and motivate Directors and senior Management without being excessive.

2. Composition

- (a) The Committee shall be appointed by the Board and shall comprise at least three (3) members, exclusively or majority of whom are non-executive Directors which are free from any business or other relationship that would materially interfere with their judgment as members of the Committee.
- (b) No alternate Director shall be appointed as member of the Committee.
- (c) The Chairman shall be an Independent non-executive Director appointed by the Board.
- (d) Members of the Committee may resign from the Committee with prior written notice of at least two (2) months to the Board and may continue to serve as directors of the Company.
- (e) The appointment of a member of the Board to the Committee shall terminate immediately upon the member ceasing to be a director of the Company.
- (f) In the event of any vacancy resulting in non-compliance of the minimum of three (3) members, the Board shall appoint such number of directors to fill up such vacancy within three (3) months of the event.
- (g) All members of the Committee, including the Chairman, will hold office only so long as they serve as Directors. The Board must review the term of office and performance of the Committee and each of its members annually to determine or as and when required by the Board whether the Committee and its members have carried out their duties in accordance with its Terms of Reference.

3. Frequency of Meetings

- (a) The Committee shall meet at least once a year. Additional meetings shall be scheduled as considered necessary by the Committee or Chairman.
- (b) The Group MD or senior Management may be invited to attend meetings to discuss the performance of executive Directors and senior Management and make proposals as necessary. Executive Directors and senior Management should play no part in decisions on their own remuneration.
- (c) Even though the Group MD or senior Management may be invited to attend the Committee meetings, participation may not be required for the full duration of the meeting.
- (d) The Chairman may request for those in attendance to leave if matters discussed are confidential or may be impaired due to the presence of the individuals concerned.

4. Quorum and Proceedings of Meeting

- (a) No business shall be transacted at any meeting of the Committee unless a quorum of two (2) members who are both Independent Directors is present. In the absence of the Chairman, the remaining members of the Committee

present at a meeting shall elect one (1) of their members who must be an Independent non-executive Director to chair the meeting.

- (b) The Chairman or secretary of the Committee (“**the Secretary**”) on the requisition of the members, shall at any time summon a meeting of the Committee by giving three (3) days advance notice or if the consent of all the members are obtained, by shorter notice.
- (c) Attendance at a meeting may be in person or by way of participation via video conference or teleconference or such other means of audio or audio- visual communications as may be agreed by the members.
- (d) Minutes of the meeting shall be signed by the Chairman and distributed to each member of the Committee and the Board. The minutes shall be kept at the registered office of the Company under the custody of the Company Secretary.
- (e) A resolution in writing signed or approved by letter or other written electronic communications by the majority of the 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 Committee duly convened and held.
- (f) All such resolutions shall be described as “Remuneration Committee Members’ Circular Resolutions” and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by the Secretary. Any such resolution may consist of several documents in like form, each signed by one or more members.

5. Secretaries of the Committee

- (a) The Company Secretary shall be the Secretary. In the absence of the Secretary, the chairman of the meeting may appoint another person or the representative of the Secretary to act on behalf of the Secretary for the purpose of the meeting.
- (b) The Secretary shall have the following responsibilities:
 - (i) ensuring the Committee meetings are arranged and held accordingly;
 - (ii) assisting the Chairman in planning the Committee’s activities for the financial year;
 - (iii) drawing up meeting agenda in consultation with the Chairman and circulating the agenda, together with the relevant papers, at least seven (7) days prior to each of the Committee meeting unless a meeting of the Committee is summoned earlier than seven (7) days;
 - (iv) ensuring proper notice is issued for the Committee’s meeting;

- (v) ensuring structured communication between the Board and the Committee;
- (vi) ensuring proceedings of meetings are minute and endorsed by the Chairman before disseminating them to all the Directors; and
- (vii) ensuring the Committee's recommendations presented to the Board are supported by explanatory papers, including report of the Committee or minutes that explains the rationale of the Committee's recommendations.

6. Duties and Responsibilities

- (a) The Committee should establish a fair and transparent remuneration framework for the Directors and senior Management. This framework should be robust, effective which takes into account the demands, complexities and performance of the company as well as skills and experience required. This is in addition to their individual performance measures.
- (b) The Committee shall recommend to the Board the remuneration of executive Directors, non-executive Directors and senior Management in all its forms and to review the Group's remuneration policies and procedures which should be disclosed in the annual report.
- (c) The committee shall determine a fair remuneration of executive directors and senior management to attract, retain and motivate directors and senior management. In doing do, the Committee shall set performance measures for incentive plans which should be aligned with the business strategy and long-term objectives of the Company, complexity of the Company's activities, and reflects the experience and level of responsibilities. Furthermore, the Committee should take into consideration the Company's competitors' results, analyst reports and views of the chairman of other committees during the assessment stage.
- (d) The determination of remuneration packages of executive Directors and non-executive Directors should be a matter for the Board as a whole where the individuals concerned shall abstain from discussion of their own remuneration. The Board should also ensure that the remuneration and incentives for Independent Directors do not conflict with their obligation to bring objectivity and independent judgment on matters discussed at Board meetings.
- (e) The Committee shall prepare a remuneration report and be responsible for ensuring that the Company discloses in its annual report the Director's

remuneration in accordance with the relevant provisions from the Listing Requirements and a statement of the activities of the Committee in the discharge of its duties for the financial year.

- (f) The Committee will also communicate with the Shareholders on matters regarding the remuneration packages of the Directors.
- (g) No individual shall take part in any discussion concerning specifically his or her own remuneration.

7. Minutes

- (a) Minutes shall be entered into the minutes book for the Committee kept by the Company Secretary together with the attendance sheet.
- (b) Keeping of the minutes must comply with the requirements of relevant law and regulations such as the CA 2016 and Income Tax Act 1967.

8. Committee's Performance

The Board shall evaluate the Committee's performance annually and the extent to which the Committee has met requirement of the terms of reference. Performance assessment may constitute a part of the annual board effectiveness assessment, pertaining to the assessment of the Committee.

9. Review and Revisions on the Terms of Reference

- (a) Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third party who is not a member of the Committee, shall first be presented to the Board for its approval.
- (b) Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.
- (c) Any updates to the principles and practices set out in this Terms of Reference shall be made available on the corporate website.