

JENTAYU SUSTAINABLES BERHAD
[Registration No. 197501000834 (22146-T)]
(Incorporated in Malaysia)

**TERMS OF REFERENCE FOR THE BOARD NOMINATION AND
REMUNERATION COMMITTEE**

1. OBJECTIVES

The Board Nomination and Remuneration Committee (“BNRC”) is to assist the Board of Directors (“Directors” or “Board”) of Jentayu Sustainable Berhad (“Jentayu” or “Company”) in the following areas:

- Proposing new nominees for the Board of the Company – the actual decision as to who shall be nominated shall be the responsibility of the full Board after considering the recommendations of the BNRC;
- Assessing the effectiveness of the Board and Board Committees on an ongoing basis;
- Assess the size and composition of the Board;
- Review the effectiveness of the Executive Directors (which includes the Executive Chairman, Managing Director / Chief Executive Officer and Finance Director);
- Overseeing appointment and management succession planning of Key Senior Management positions;
- Recommend to the Board the remuneration package of Executive Directors, Non-Executive Directors and Key Senior Management of Jentayu to attract, retain and motivate Directors and Key Senior Management.

2. COMPOSITION

The BNRC shall be appointed by the Board from amongst the Directors and shall have at least three (3) members, all of whom shall be Non-Executive Directors with the majority being Independent Directors.

The Chairman of the BNRC shall be a Senior Independent Non-Executive Director or an Independent Non-Executive Director appointed by the Board. In the absence of the Chairman, the members present shall elect a Chairman of the BNRC meeting from amongst themselves.

No alternate Director shall be appointed a member of the BNRC.

3. REMOVAL AND RESIGNATION

- The entire BNRC or individual member may be removed from office without cause by the affirmed vote of a majority of the Board.
- Any member may resign effective upon giving written notice to the Chairman of the Board, the Company Secretary or the Board (unless the notice specifies a later time for the effectiveness of such resignation); and
- If the resignation of a member is effective at a future time, the Board may elect a successor to take office when the resignation becomes effective.

4. AUTHORITY

The BNRC shall:

- i. have access to such information and/or appropriate professional advice, both from within Jentayu and its subsidiaries (“the Group”) and externally, as it deems necessary or appropriate in discharging its responsibilities at the cost of the Group.
- ii. request other Directors, members of management, counsels, consultants or any employee as applicable, to participate in BNRC meetings, as necessary, to carry out the BNRC's responsibilities.
- iii. access to the advice and services of the Company Secretary.

5. FUNCTIONS

The functions and duties of the BNRC shall include the following:

I. NOMINATION

- i. To determine the criteria for Board membership, including qualities, experience, skills, expertise, education background and qualifications, competencies, integrity, contribution, level of commitment in terms of time and other qualities that will best qualify a nominee to serve on the Board.
- ii. To review annually and recommend to the Board with regard to the structure, size, tenure, directorships, balance and composition of the Board and Committees including the required mix of skills and experience, core competencies which the Directors should bring to the Board and other qualities to function effectively and efficiently.
- iii. To consider, evaluate and propose to the Board any new board appointment, whether of executive or non-executive position, to fill board vacancies as and when arises. The proposed candidate may be sourced from existing Board members, management, major shareholders and other independent sources. In making a recommendation to the Board on the candidate for directorship, the BNRC should consider the following attributes of the candidate (taking into consideration the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance as amended from time to time):
 - a. - specific knowledge, skills and relevant working experience (capability);
 - training and qualifications (competence)
 - integrity and objectivity;
 - diversity targets in the Boardroom to include diversity in gender, ethnicity and age;

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- level of commitment, resources and time that the recommended candidate can contribute to the existing Board;
 - Independence and conflicts of interest;
 - External directorship of the candidate;
 - ability to work together with other members of the Board for the best interest of the Company.
- b. In case of candidates for the position of Non-Executive Directors, the candidates should be persons of caliber, credibility, and have the necessary skill and experience to bring an independent judgement to bear on issues considered by the Board.
- c. In the case of candidates for the position of Independent Non-Executive Directors, evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors and that Independent Non-Executive Directors should make up at least one-third of the membership of the Board;

The BNRC shall also ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 198 of the Companies Act 2016 and such other requirements imposed by the Companies Commission of Malaysia.

The ultimate decision on the appointment of Directors to the Board is the responsibility of the Board after due consideration of the recommendation of the BNRC.

- iv To recommend to the Board, the Directors to fill the seats on Board Committees, including chairmanship of the Board Committees.
- iv. To establish and implement processes for assessing the effectiveness of the Board as a whole, the Committees of the Board and for assessing the contribution of each Director (including the assessment of independence of its Independent Directors);
- vi. To consider the need to appoint a Senior Independent Non-Executive Director, and if deemed appropriate, recommend to the Board for approval. In considering the candidate for the position of a Senior Independent Non-Executive Director, the BNRC shall assess the required knowledge and other qualities necessary for the effective discharge of his/her responsibilities.
- vii. To review and evaluate on an annual basis:
 - the effectiveness of each Director's ability to contribute to the effectiveness of the Board and the relevant Board Committees and to provide the necessary feedback to Directors in respect of their performance;
 - the effectiveness of the Committees of the Board;

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- the effectiveness of the Board as a whole;
 - the term of office and performance of the Board Audit Committee and each of its members to determine whether the Board Audit Committee and its members have carried out their duties in accordance with their terms of reference.
- viii. To review and evaluate annually the independence of the Independent Directors. The assessment should take into consideration the criteria laid out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and such other factors the BNRC determines appropriate to take into account in determining whether the Director is independent of management; and free of any business or other relationship that could materially interfere with, or could be perceived to materially interfere with, the exercise of their unfettered and independent judgement.
- ix. To recommend to the Board:
- whether Directors who are retiring by rotation at the Annual General Meeting of the Company should be put forward for re-election.
 - Matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of the Executive Director(s) as employee(s) of the Company subject to the provisions of the law and his/her service contract.
 - Whether the Independent Director(s) should remain independent or be re-designated, after assessment of Independent Director(s) be conducted and concluded.
 - The re-appointment of any Non-Executive Director at the conclusion of his/her term of office having due regard to his/her performance and the ability to continue to contribute to the Board in terms of knowledge, skills and experience required.
- x. To develop, oversee and review the Board's succession plan including succession of the Chairman of the Board, Managing Director / Chief Executive Officer and Finance Director in order to maintain an appropriate balance of skills, knowledge and experience and ensure that the succession plan is kept under review.
- xi. To develop, oversee and review Key Senior Management succession plan in order to ensure that Key Senior Management is comprised of individuals with the skills and experience relevant to the Company's strategic direction and objectives.
- xii. To review the Directors' continuing education programmes for existing members of the Board in order to broaden their perspective and to keep abreast with development in the market place and of the new statutory regulatory requirements.
- xiii. To facilitate Board induction and training for newly appointed Directors with respect to the business, structure and management of the Company as well as the expectations of the Board with regard to their contribution to the Board and the Company.

xiv. To consider and examine such other matters as the BNRC considers appropriate.

xv. To consider other matters as referred to the BNRC by the Board.

II. REMUNERATION

- i. To establish and recommend to the Board the remuneration structure and policy of the Executive Directors (which include the Executive Chairman, the Managing Director / Chief Executive Officer and Finance Director) including the terms of employment or contract of employment/service, benefits, pension or incentive scheme entitlement, bonuses, fees and expenses and any compensation payable on the termination of the service contract by the Company and to review for changes to the policy, as necessary. The Executive Directors should play no part in decisions involving their own remuneration.
- ii. To review the Executive Directors' goals and objectives and to assess his performance against these objectives as well as contribution to the corporate strategy at least annually.
- iii. To ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration setting forming a significant proportion of the total remuneration package of Executive Directors.
- iv. To review and recommend to the Board regarding the directors' fees and benefits (including meeting allowances for attending Board meetings and Board Committee meetings) payable to the Non-Executive Directors and/or Independent Non-Executive Directors and thereafter to be approved at a general meeting. This is to ensure that the level of remuneration payable reflects the experiences, level of responsibilities and time commitment undertaken by the Non-Executive Directors and/or the Independent Non-Executive Directors concerned.
- v. To annually review and recommend the bonus payment rate and salary increment range to all employees of Jentayu and the Group based on the Group's policy.
- vi. To review and approve remuneration packages of Key Senior Management (who are not Directors) to ensure that they are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.
- vii. To review and recommend to the Board regarding any proposed employees share option scheme to be given to the Directors and employees of the Company and Group and/or amendments to the existing scheme, where applicable.

6. NOTICES

- i. A member may at any time, and the Secretary, upon the request of a BNRC member, shall convene a meeting of the BNRC. Unless otherwise determined by the BNRC members, three (3) days' notice specifying the place, date and hour of the meeting of the BNRC (except in case of an emergency) and the business to be discussed thereat shall be given to all the BNRC members.
- ii. The BNRC Meeting agenda shall be the responsibility of the BNRC Chairman with input from the BNRC members.

7. MEETINGS, QUORUM AND VOTING

- i. Meetings of the BNRC shall be held at least once a year.
- ii. Additional BNRC Meetings shall be scheduled as considered necessary by the BNRC or Chairman of the BNRC for the performance of its objectives. The BNRC may invite any person to be in attendance at the BNRC meeting to assist in its deliberations.
- iii. BNRC Meetings may be conducted by means of telephone conference, video conference or any other form of audio or audio-visual instantaneous communication and the participation in the meeting pursuant to this provision shall constitute presence in person of such meeting.
- iv. The quorum for each meeting of the BNRC shall be at least two (2) members, with majority of members present being Independent Non-Executive Directors. In the absence of the Chairman of the BNRC, the members present shall elect one of their numbers to chair the meeting
- v. Matters raised at any meeting of the BNRC shall be decided by a majority of votes of the members present, each member having one (1) vote. In the event of equality of votes, the Chairman of the BNRC shall have a casting vote Provided that there are more than two (2) members present competent to vote on an issue.

However, where two (2) BNRC members form a quorum, the Chairman of a meeting of the BNRC at which only such a quorum is present, or at which only two (2) BNRC members are competent to vote on the question at issue, shall not have a casting vote. In this instance, the resolution shall be deemed not to have been passed, whereupon the question in issue shall be tabled at the next meeting of the BNRC or referred to the Board, whichever is more expedient.

No member of the BNRC shall participate in any discussion or decision on their own nomination and remuneration.

8. CIRCULAR RESOLUTIONS

A resolution in writing signed or approved by letter, electronic mail, telegram, telex or telefax or other form of electronic communication by majority of the members of the BNRC who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the BNRC duly called and constituted.

All such resolutions shall be described as “Circular Resolution of the Board Nomination and Remuneration Committee.” Any such resolution may consist of several documents in the like form, each signed or approved by one (1) or more members of the BNRC.

9. SECRETARY, MINUTES AND RESOLUTIONS

The Secretary to the BNRC shall be the Company Secretary or any other person appointed by the BNRC.

The Secretary shall also be responsible for keeping the minutes and resolutions of the BNRC and circulate the same to all members of the Board.

10. REPORTING

The Chairman of the BNRC shall update the Board on the relevant matters discussed by the BNRC after each meeting of the BNRC.

He shall also be available to answer any questions about the BNRC’s work at the Annual General Meetings of the Company.

11. REVIEW OF THE TERMS OF REFERENCE

The members of the BNRC will assess, review and update the above terms of reference from time to time whenever deemed necessary for approval by the Board.

Note:

* *Definition of:*

Key Senior Management includes person(s) who are primarily responsible for the business operations of Jentayu’s core business and principal subsidiaries. They are:

- i. “C” level Key Officers, such as Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Information Officer and others who carry the title and senior position of “C” position, if any, as per the Main Market Listing Requirements of Bursa Malaysia Securities Berhad; OR*
- ii. Senior Vice President (SVP I) as per the Company’s Employee Handbook.*