

SUNWAY CONSTRUCTION GROUP BERHAD

TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

1. OBJECTIVE

- (a) The Nomination and Remuneration Committee (“Committee”) is entrusted with identifying qualified individuals to serve as Board members and recommending such candidates for appointment to the Board and Board Committees. The ultimate decision as to who shall be nominated should be the responsibility of the full Board after considering the recommendations of the Committee.
- (b) The Committee also conducts periodic evaluations to assess the effectiveness of the Board as a whole, Board Committees and contribution of individual Directors, including Independent Directors.
- (c) The Committee is to recommend for Board’s approval the remuneration framework to attract and retain the Company’s Executive Directors and Key Senior Management to run the Company successfully. The remuneration package should be aligned with the business strategy and long-term objectives of the Company.
- (d) The Committee shall also carry out such duties that may be delegated by the Board from time to time.

2. MEMBERSHIP

- (a) The Committee shall be appointed by the Board of Directors from among their number and shall consist not less than three (3) members, composed exclusively of non-executive directors, a majority of whom are independent.
- (b) The Chairman of the Committee shall be elected from among the members who is an Independent Director or Senior Independent Director.
- (c) In the absence of the Chairman of the Committee, the remaining members present shall elect one of their independent non-executive members as chairman of the meeting.
- (d) In the event of any vacancy in the Committee resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months fill the vacancy.
- (e) The membership of the Committee shall be terminated upon the cessation of

him/her as a Director of the Company, or as determined by the Board.

3. AUTHORITY

The Committee is authorized by the Board to undertake the specific duties and responsibilities stated below. The Committee is also authorized to obtain external legal or other independent professional advice, as it considers necessary.

4. DUTIES AND RESPONSIBILITIES

4.1 Nomination Matters:

- (a) To determine the core competencies and skills required of Directors to best serve the business and operations of the Company as a whole and the optimum size of the Board to reflect the desired skills and competencies.
- (b) To review the number of Non-Executive Directors, Board balance and determine if additional Directors are required and also to ensure that at least one-third (1/3) of the Board is independent.
- (c) To recommend to the Board on the appropriate number of Directors to comprise the Board which should fairly reflect the investments of the minority shareholders in the Company, and whether the current Board representation satisfies this requirement.
- (d) To consider in making its recommendations, candidates for directorships proposed by the Board or shareholder or other sources as executive search firm.
- (e) To recommend to the Board, Directors or officers of the Company to fill the seats on Board Committees.
- (f) To undertake a review of the required mix of skills, experience and other qualities of Directors, including core competencies which Non-Executive Directors should bring to the Board as well as independence and diversity (including gender diversity) of the board composition which is required to meet the needs of the Company, and to disclose this in the Annual Report.
- (g) To review the Board structure, its size and composition annually having regard to the scope and nature of the operations and the core competencies of the Directors.
- (h) To review and determine on an annual basis, the independence of Independent Directors.

- (i) To assist the Board to implement a procedure to be carried out by the Committee for assessing the effectiveness of the Board as a whole and the Board Committees, as well as for assessing the contributions and performance of individual Directors and Board Committee members.
- (j) To review the term of office and performance of Audit Committee and each of its members annually to determine whether the Audit Committee and members have carried out their duties in accordance with their terms of reference.
- (k) To introduce such regulations, guidelines, policies and/or procedures to function effectively and fulfill the Committee's objectives.
- (l) To determine appropriate training for Directors and review the fulfillment of such training, where appropriate.
- (m) To review Board succession plans for directors and key management positions.
- (n) To recommend directors who are retiring by rotation to be put forward for re-election pursuant to the Constitution of the Company.

4.2 **Remuneration Matters:**

- (a) To recommend to the Board the remuneration of the Executive Directors and Key Senior Management.
- (b) Assume responsibility for all elements of Executive Directors and Key Senior Management's remuneration which include the following:
 - (i) Basic salary
 - (ii) Bonus / Profit Sharing Scheme (if any)
 - (ii) Share Options
 - (iii) Any other benefits
 - (iv) Compensation for early termination
- (c) Ensure that a fair differential between the remuneration of Executive Directors and Key Senior Management and other levels of management is maintained.
- (d) Conduct continued assessment of individual Executive Directors and Key Senior Management to ensure that remuneration is directly related to corporate and individual performance.
- (e) Obtain the advice and information from external source, if necessary, to compare the remuneration currently earned by the Executive Directors and Key Senior Management and those paid to Executive Directors and Key Senior Management of other companies of a similar size in a comparable industry sector.

- (f) To ensure that the base salary element is competitive but fair.
- (g) To advise on and monitor, a suitable performance related formula i.e. whether the formula is based on individual performance, company profit performance, earnings per share, etc.
- (h) To provide an objective and independent assessment of the benefits granted to Executive Directors and Key Senior Management.
- (i) To introduce any policy or guidelines which would enable the smooth administration and effective discharge of the Committee's duties and responsibilities.
- (j) To furnish a report to the Board of any findings of the Committee.

5. MEETINGS

- (a) The Committee shall meet at least twice a year. However, additional meetings may be called at any time at the Chairman's discretion or if requested to do so by any member or the Board of Directors.
- (b) A member of the Committee shall abstain from participating in discussions and decisions on matters directly involving him/her to avoid a conflict of interest situation.
- (c) The quorum for the meeting shall be two (2) members.

6. SECRETARY

The Secretary to the Committee shall be the Company Secretary.