

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

### **1. OBJECTIVE**

The principal objective of the Nomination and Remuneration Committee (“NRC”) is to assist the Board of Directors (“**Board**”) in the development and implementation of the policies on nomination and appointment of Directors. The NRC also assists the Board in the conduct of their annual effective evaluation.

The NRC is responsible for assisting the Board in the development and implementation of the framework and policies on the remuneration package of Executive Directors and Key Senior Management, directors’ fees of Non-Executive Directors to attract, retain and motivate Directors and Senior Management to drive long term objectives.

### **2. COMPOSITION**

The Board shall elect the NRC members from amongst themselves, comprising at least three (3) members exclusively of non-executive directors, a majority of whom must be independent.

The members of the NRC shall elect a chairman amongst themselves, who is an Independent Non-Executive Director or Senior Independent Non-Executive Director of the Company identified by the Board. In the absence of the NRC Chairman, the members present shall elect one of themselves to chair the meeting from those who would qualify under these Terms of Reference to be appointed to that position.

### **3. SECRETARY**

The Company Secretary or other appropriate senior official shall act the secretary of the Nomination and Remuneration Committee.

### **4. QUORUM AND VOTING**

The quorum for all meetings of the NRC shall not be less than two (2) members who are Independent Non-Executive Directors. In the absence of a quorum, the meeting shall be adjourned to such other date and at such other time and venue as the NRC may determine.

All resolutions of the NRC shall be approved by a majority vote, each member having one (1) vote. In case of equality of votes, the Chairman of the NRC shall have a second or casting vote.

## **5. MEETINGS**

The NRC may meet together for the despatch of business, adjourn and otherwise regulate the meetings, at least once a year or more frequent as deemed necessary by the Chairman of the NRC. The Chairman may call for additional meetings at any time at the Chairman's discretion.

A resolution in writing, signed by all the members of the NRC, shall be as effectual as if it has been passed at a meeting of the NRC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more NRC members. Any such documents may be accepted as sufficiently signed by a member if transmitted to the Company by any technology purporting to include a signature and/or electronic or digital signature of the member.

The NRC may conduct its meeting to include participation thereat by any member or invitee via video or teleconferencing or any other means of audio or audio- visual communications.

The Secretary or other appropriate senior official shall on the requisition of the members of the NRC summon a meeting of the NRC and, except in the case of an emergency, reasonable notice of every NRC meeting shall be given in writing.

## **6. AUTHORITY**

The Company must ensure that wherever necessary and reasonable for the performance of its duties, the NRC must in accordance with a procedure or process to be determined by the Board and at the expense of the Company:-

- 6.1 have authority to investigate any matter within its Terms of Reference;
- 6.2 have the resources which are required to perform its duties;
- 6.3 have full and unrestricted access to any information pertaining to the Company;
- 6.4 be able to obtain independent professional or other advice;
- 6.5 be able to convene meetings excluding the attendance of other Directors and employees of the Company, whenever deemed necessary; and
- 6.6 shall be entitled to the services of the Company Secretary who must ensure that all decisions made on remuneration packages of the Executive Directors and key management personnel be properly recorded in the minutes.

## **7. RESPONSIBILITIES AND DUTIES**

The duties and responsibilities of the NRC are as follows:-

7.1 Identify and recommend to the Board, suitably qualified candidates for all directorships to be filled including new Directors and Directors to be re-elected or re-appointed or retained, taking into consideration candidates’:-

- skills, knowledge, expertise and experience;
- professionalism;
- commitment (including time commitment) to effectively discharge his/her role as a Director (including, amongst others, attendance at Board or Committee meetings, major company events, briefings or site visitations, participation in continuing training programmes; after consideration of the candidate’s directorships in other listed issuers, public companies and corporations incorporated and listed outside Malaysia and other commitments or positions and the time commitment involved);
- contribution and performance;
- gender, age and ethnicity and their pertinence to boardroom diversity;
- background, character, competence and integrity;
- any business interest that may result in a conflict of interest arose, persist or may arise within the Company or the Group; and
- in the case of candidates for the position of independent non-executive directors, ability to discharge the responsibilities and functions expected of independent non-executive directors.

The NRC takes guidance from the Directors’ Fit and Proper Policy published on the Company’s website in its review and assessment of candidates that are to be appointed onto the Board of the Company and its subsidiaries as well as Directors who are seeking for re-election.

7.2 Seek, evaluate and recommend candidates for directorship as and when required. The NRC should seek recommendations and referrals from shareholders, Directors, Senior Management and external independent sources where practicable in identifying appropriate candidates. Evaluation of candidates include the review of resumes, reference checks and interviews based on criteria established in the Directors’ Fit and Proper Policy for compliance with Rule 2.20A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The NRC will then recommend chosen candidates to the Board for consideration.

7.3 Undertake due diligence on prospective director to assess risks and threats of bribery pursuant to the Guidelines on Adequate Procedures issued by the Prime Minister’s Department.

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- 7.4 Recommend to the Board, directors to fill the seats on other Board Committees.
- 7.5 Review annually the required mix of skills and experience of the Board, including the core competencies which directors should bring to the Board.
- 7.6 Evaluate the effectiveness of the Board and Board Committees (including its size and composition) and the contribution of each individual director including independent non-executive directors as well as the chief executive officer and chief financial officer. All assessments and evaluations carried out by the NRC in the discharge of all its functions shall be properly documented.
- 7.7 Review, at least once a year, its own performance, constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 7.8 Evaluate the independence of its independent directors annually.
- 7.9 Determine appropriate training for Directors, review the fulfillment of such training, and disclose details in the annual report as appropriate, in accordance with Bursa Securities' guidelines on Continuing Education.
- 7.10 Consider and recommend the Directors for re-election/re-appointment at each Annual General Meeting.
- 7.11 Ensure an appropriate framework and plan for Board succession for the Group.
- 7.12 Facilitate Board induction programme for newly appointed Directors;
- 7.13 Assess annually the term of office and performance of the audit committee and each of its members to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.
- 7.14 Establish and recommend the remuneration structure and policy for Executive Directors and key management personnel; the terms of employment or contract of employment/service, any benefit, pension or incentive scheme entitlement; other bonuses, fees and expenses; any compensation payable on the termination of the service contract by the Company and/or the Group and to review for changes to the policy, as necessary. The Executive Directors and key management personnel should play no part in decisions involving their own remuneration;

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- 7.15 Ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration forming a significant proportion of the total remuneration package of Executive Directors and key management personnel;
- 7.16 Review and recommend the entire individual remuneration packages for each of the Executive Directors and key management personnel to ensure the levels of remuneration be sufficiently attractive and be able to retain the Executive Directors and key management personnel needed to run the Company successfully;
- 7.17 Review with the Chief Executive and the Executive Directors, their performance against these objectives as well as contribution to the corporate strategy;
- 7.18 Consider and review any renewal of service contracts of the Executive Directors as and when due, as well as any service contracts and remuneration package for newly appointed Executive Director(s) prior to their appointment;
- 7.19 Review and recommend to the Board regarding any proposed new employees' share option scheme to be given to the Directors and/or amendments to the existing scheme;
- 7.20 Consider and examine such other matters as the NRC considers appropriate; and
- 7.21 Consider other matters as referred to by the NRC by the Board.

The NRC is authorised by the Board to seek professional advice inside and outside the Group at the Company's expense, as and when it considers this necessary in the discharge of its responsibilities.

The ultimate decision on the appointment of directors to the Board is the responsibility of the Board or the shareholders after due consideration of the recommendations of the NRC.

The proposed Non-Executive Directors' fees and benefits payable are to be presented to the NRC or its recommendation to the Board's consideration and recommendation to the shareholders for approval at Annual General Meeting. The individuals concerned should abstain from discussing their own remuneration.

There should be a formal and transparent procedure for developing policy on Executive Directors' and key management personnel's remuneration and for fixing the remuneration packages of individual directors.

The NRC shall take into cognizance in its deliberations the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance, and any other pertinent regulations and laws, as well as revisions which may come into force from time-to time.

## **8. PERIODIC REVIEW**

This Terms of Reference shall be reviewed periodically by the NRC.

## **9. REVISION OF THE TERMS OF REFERENCE**

- 9.1 This Terms of Reference shall be assessed, reviewed and updated regularly to ensure it remains consistent with the NRC's objectives and responsibilities or as and when there are changes to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, Malaysian Code on Corporate Governance or any other regulatory requirements that may have an effect on the NRC's responsibilities.
- 9.2 Any revisions or amendments to this Terms of Reference, as proposed by the NRC or any third party, shall be presented to the Board for approval; and
- 9.3 Upon the Board's approval, the said revisions or amendments shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

## **10. APPROVAL**

This Terms of Reference is approved by the Board on 19 May 2025.