

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

1. OBJECTIVE

The primary objective of the Nomination and Remuneration Committee ("**NRC**") is to act as a committee of the full Board of Directors ("**Board**") to assist in discharging the Board's responsibilities in the following areas:-

- (a) Proposing new nominees for the Board of the Company and/or its subsidiary ("**the Group**");
- (b) Assessing the effectiveness of Directors of the Group on an ongoing basis;
- (c) Reviewing the effectiveness of the Managing Director ("**MD**") and/or Chief Executive Officer ("**CEO**"), Chief Financial Officer and other senior executive officers;
- (d) Assessing the size and composition of the Board;
- (e) Ensure the policy and criteria to conduct periodic evaluation for effectiveness of the Board and Board Committees as well as individual directors by robust processes and procedures taking into consideration the needs of the Board such as mix of skills, independence, experience, industry knowledge and diversity (including gender diversity);
- (f) Reviewing the Board's corporate governance principles of the Group; and
- (g) Assessing and recommending to the Board the remuneration package of the Executive Directors, Non-Executive Directors and Senior Management of the Group to attract, retain and motivate Directors and Senior Management to drive long term objectives.

2. STRUCTURE AND COMPOSITION

- 2.1 The Board shall elect the members of the NRC from amongst themselves, comprising at least three (3) members exclusively of Non-Executive Directors, a majority of whom shall be independent.
- 2.2 The Chairman of the Board shall not be a member of the NRC.
- 2.3 The Company Secretary or other appropriate senior official shall act as the Secretary of the NRC and shall be responsible for drawing up the agenda with the concurrence of the Chairman

3 CHAIRMAN OF THE NOMINATION AND REMUNERATION COMMITTEE

- 3.1 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.
- 3.2 In the absence of the NRC Chairman, the remaining 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.

4 ATTENDANCE

- 4.1 Only members have the rights to attend the NRC meetings.
- 4.2 The Chairman of the NRC, or the NRC members with the approval from the Chairman, may invite any person or persons to attend the NRC meetings, but not necessarily for the full duration of the meeting.

5 QUORUM

- 5.1 The quorum for all meetings of the NRC shall consist of at least 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.
- 5.2 A duly convened meeting of the NRC at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretions vested by the NRC.

6 MEETING OF THE NOMINATION AND REMUNERATION COMMITTEE

- 6.1 The NRC may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary by the Chairman of the NRC. The Chairman may call for additional meetings at any time at the Chairman's discretion.
- 6.2 Each member of the NRC is entitled to one (1) vote in deciding the matters deliberated in the meeting. The decision that gained the majority votes shall be the decision of the NRC. In the event of an equality of votes, the Chairman of the NRC shall be entitled to a second or casting vote.

- 6.3 Attendance at all meetings of NRC may be in person or by way of participation via video conference or teleconference or such other means as may be agreed by the members, and it shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 6.4 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.

7 PRIMARY RESPONSIBILITIES

The NRC's primary responsibilities include:-

- (a) assessing and recommending to the Board the candidature of Directors, appointment of Directors to Board Committees, taking into consideration of the recommendations from the Group MD and/or the Group CEO;
- (b) reviewing and recommending to the Board the succession plan of the Chairman of the Board, the Executive and Non-Executive Directors, Group MD and/or Group CEO and the Key Senior Management;
- (c) assessing the training needs of each Director and review the fulfilment of such training;
- (d) undertaking the assessment of the performance of the Board, Board Committees and individual Directors on an on-going basis;
- (e) undertaking annual assessment of the independence of Independent Directors in the Board beyond the Independent Director's background, economic and family relationships but considering they could continue to bring independent and objective judgement to Board deliberations; and
- (f) review and determine, at least once annually, adjustments to the remuneration package, including benefits in kind, of each Executive Director and Key Senior Management of the Group, taking into account the corporate and individual performance, level of responsibility and complexity of the role, the inflation price index, and where necessary, information from independent sources on remuneration packages for equivalent jobs in the industry.

8 FUNCTIONS OF THE NOMINATION AND REMUNERATION COMMITTEE

8.1 The NRC, amongst others, shall discharge the following functions:-

- (a) identifying, nominating and orientating new Directors for the approval of the Board, candidates to fill Board vacancies as and when the need arises;
- (b) regularly review the structure, size and composition in respect of the mix of skills, independence and diversity (including gender diversity) of the Board required to meet the needs of the Company and make recommendations to the Board with regard to any changes;
- (c) reviewing annually the term of office and performance of the Audit and Risk Management Committee (“**ARMC**”) and each of its members to determine whether such ARMC and members have carried out their duties in accordance with their Terms of Reference;
- (d) ensuring that the Board level recruitment matters are discussed in depth, allowing the Board to instead spend time on strategic and operational matters;
- (e) ensuring that the Company recruits and retains the best available Executive and Non-Executive Directors;
- (f) recommending the Board, a nomination framework for the evaluation of the Board’s and individual’s performance for approval of the Board;
- (g) considering and recommending the Directors who are retiring or retiring by rotation to be put forward for re-election at the general meetings;
- (h) reviewing and recommending the nomination or re-nomination of the Directors having regard to the Director’s contribution and performance;
- (i) recommending to the Board, candidates for all directorship to be filled by the shareholders or the Board after taking into consideration the candidates and the recommendation from the Group MD and/or Group CEO:-
 - Skills, knowledge, expertise and experience;
 - Professionalism;
 - Integrity;
 - Competencies;
 - Commitment;
 - Contribution,

- Performance; and
 - In the case of the candidates for the position of the Independent Non-Executive Directors, the NRC should also evaluate the candidates' ability to discharge such responsibilities and functions expected from Independent Non- Executive Directors.
- (j) recommending the Board, taking into consideration of the recommendation from the Group MD and/or Group CEO, the candidates to fill the seats on Board Committees;
- (k) assisting the Board in annual review of the required mix of skills, experience, independence and boardroom diversity and other qualities, including core competencies which Independent Non-Executive Directors should bring to the Board.
- (l) assisting the Board in annual review of the effectiveness of the Board as a whole, the Board Committees and contribution of each individual Director, including the time commitment, character, experience and integrity vide a formal and objective assessment;
- (m) reviewing and approving any new employment of related persons and the proposed terms of their employment, taking into consideration of the recommendation from the Group MD and/or Group CEO;
- (n) recommending individuals, taking into consideration of the recommendation from the Group MD and/or Group CEO, for nomination as members of the Board by assessing the desirability of renewing existing directorships. Due consideration should be given to the extent to which the interplay of the Director's expertise, skill, knowledge, experience, independence and boardroom diversity was demonstrated with those of other Board members;
- (o) ensuring that all Board appointees undergo an appropriate board induction and training programmes;
- (p) considering and recommending the retention of each Independent Director who has served in that capacity for a cumulative term of nine (9) years;
- (q) including a statement in the annual report about its activities, the membership of the NRC, number of NRC meetings, attendance of members over the course of the

year, the application of the Company's fit and proper policy in the nomination and election process of Board members;

- (r) undertake any other duties as may be assigned by the Board from time to time;
- (s) to set the remuneration policy for all Directors and Senior Management.
- (t) to review any major changes in remuneration policy and employee benefit structures throughout the Company or Group, and if thought fit, recommend to the Board for adoption.
- (u) to ensure the levels of remuneration be sufficiently attractive and be able to retain high calibre Executive Directors and Senior Management personnel needed to run the Company successfully.
- (v) to structure the component parts of remuneration to be aligned with the business strategy and long-term objectives of the Company, complexity of the Company's activities, and to reflect the Board's experience and level of responsibilities, expertise and undertaken by the Directors and Senior Management.
- (w) to review and recommend to the Board on the entire individual remuneration package for each of the Executive Directors and Key Senior Management personnel including, where appropriate, bonuses, incentive payments within the terms of the agreed remuneration policy and based on individual performance.
- (x) to review and recommend to the Board on the remuneration of Non-Executive Directors particularly on whether the remuneration remains appropriate to each Director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken.
- (y) to review and approve remuneration packages of related employees (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.
- (z) to act in line with the directions of the Board.
- (aa) to consider and examine such other matters as the NRC considers appropriate.

8.2 In exercising objectivity in the assessment process, the NRC members should not be influenced by major controlling shareholders or the Group MD or Group CEO or Executive Directors.

- 8.3 The Board remains responsible for considering and approving recommendations from the NRC.
- 8.4 The Board should work together with the NRC to evaluate potential successors of Board Chairman and Group MD and/or Group CEO.
- 8.5 Each NRC member should abstain from discussion or voting on any resolutions in respect of the assessment of his/her performance or re-nomination as Director.

9 REGULATORY, RISK AND AUDIT

- 9.1 Reviewing any matters relating to remuneration that need to be reported to the Board, shareholders and the Company's primary regulator and assessing that there are effective safeguards in place to ensure that remuneration policies are clearly aligned with the Company's risk appetite and the regulatory and other legislative requirements that the Company is required to comply with.
- 9.2 This includes the review and approval of:-
 - (a) The content of the Directors' Remuneration Report in the annual report and accounts for approval by the Board as a whole;
 - (b) The Group's regulatory submissions including the Group's Remuneration Policy Statement and notable events for each financial year;
 - (c) Any statement required by the Group's primary regulator from the NRC about the Group's remuneration policy;
 - (d) The adequacy and effectiveness of the remuneration policy of the Group in the context of consistent and effective risk management; and
 - (e) Variable pay adjustments, including application of malus and/or clawback, for conduct breaches.
- 9.3 Seeking advice from the ARMC on the alignment of risk and remuneration and on risk adjustments to be applied in setting annual variable pay pool.
- 9.4 Considering material issues communicated to the NRC by the ARMC arising from the work of Internal Audit relating to matters which fall within these Terms of Reference, including communication of relevant internal audit findings on remuneration matters. The NRC shall provide feedback to the ARMC on these matters, in particular as to any shortcomings perceived in the scope or adequacy of Internal Audit or its work.

10 OPERATIONS OF THE NOMINATION AND REMUNERATION COMMITTEE

The NRC:-

- (a) shall review these Terms of Reference and its own effectiveness as well as the quality of information it receives regularly and recommend any necessary changes.
- (b) may establish core terms of reference for adoption by similar committees of any subsidiary company and, where appropriate, approve material deviations from such core terms.
- (c) shall report to the Board on the matters set out in these Terms of Reference, how the NRC has discharged its responsibilities and will make recommendations on action needed to resolve concerns or make improvements.
- (d) may delegate to the Chairman authority to make decisions on its behalf on matters which may need attention between NRC meetings, provided that such decisions are notified to the NRC members and ratified at the next scheduled NRC meeting.
- (e) may (with the consent of the Board) delegate certain decisions which are not material to Group companies or business units.
- (f) is authorised by the Board to engage independent professional advisers and have access to such resources including employees as it may consider appropriate.
- (g) shall give consideration to laws and regulations of all applicable jurisdictions and regulators.
- (h) shall work and liaise as necessary with all other Board Committees (including to determine where there is an overlap in responsibilities) as well as the Group's principal subsidiaries and their NRC (setting clear expectations for the latter). The NRC's interaction with other relevant boards and committees of the Group will be reflected in the detailed plans and processes for the NRC which are developed on an ongoing basis throughout each calendar year.
- (i) shall consider any matter relating to and may request any information as it considers appropriate from any NRC of any to the Company.

11 RIGHTS OF THE NOMINATION AND REMUNERATION COMMITTEE

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

- (a) have authority to investigate any matter within its Terms of Reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company;
- (d) be able to obtain independent professional or other advice; and
- (e) be able to convene meetings excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

12 REVIEW OF NOMINATION AND REMUNERATION COMMITTEE

The term of office and performance of the NRC and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether the NRC and such members have carried out their duties in accordance with their Terms of Reference.

13 AUTHORITY

The NRC is authorised:-

- (a) to seek any information, it requires from any employee of the Company in order to perform its duties;
- (b) to obtain, at the Company's expense, outside legal or other professional advice on any matters within its Terms of Reference; and
- (c) to call any employee to be questioned at a meeting of the NRC as and when required.

14 REPORTING RESPONSIBILITIES

The Chairman of the NRC shall report to the Board on its proceedings after each meeting on all matters with its duties and responsibilities. The NRC shall also make whatever recommendation to the Board it deems appropriate or any area within its remit where action or improvement is needed.

15 ANNUAL GENERAL MEETING

The Chairman of the NRC should attend the Annual General Meeting of the Company to answer any shareholder questions on the NRC's activities.

16 MINUTES

The minutes of the meetings of the NRC shall be circulated to all members of the NRC and Board. The minutes shall be properly kept under the custody of the Secretary of the Company and shall be open for inspection by the Board. Any request by Management or other persons to inspect the minutes shall be subject to the approval of the NRC.

17 NOTICE OF MEETINGS

Unless otherwise agreed, notice of each NRC meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the NRC, any other person required to attend and all other Non-Executive Directors, at least five (5) days before the date of the NRC meeting. Meeting papers and agenda items shall be circulated to NRC members and other attendees as appropriate, at the same time.

18 CIRCULAR RESOLUTION

A resolution in writing, signed or approved by letter, telegram, telex, telefax or other electronic means by a majority of the NRC members entitled to receive notice of a meeting of the NRC, shall be as valid and effectual as if it had 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 of the members of the NRC.

19 REVISION AND UPDATES

The NRC 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 Securities, Malaysian Code on Corporate Governance or any other regulatory requirements that may have an effect on the NRC's responsibilities.

20 APPROVAL

The Terms of Reference is approved by the Board of the Company on 21 March 2022.