

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE**1. OBJECTIVES**

The principal objectives of the Nomination and Remuneration Committee (“**Committee**”) are to assist the Board of Directors (“**Board**”) in their responsibilities:-

- a) to nominate new candidates to the Board, lead the succession planning of the Board members and Chief Executive Officer (or any other person assuming the similar roles and responsibilities), to assess the performance of the Board, the Board Committees and individual Directors of the Company on an on-going basis.
- b) to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration, fee and other benefits of Board and senior management.
- c) to ensure that all Directors and senior management are fairly rewarded for their individual contribution to the Company’s overall performance and that the remuneration commensurate with the level of executive responsibility and is appropriate in light of the Company’s performance.

2. COMPOSITION

- a) The Committee shall comprise at least 2 members who are non-executive directors, with majority of them being independent directors.
- b) In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months.
- c) No alternate director shall be appointed as a member of the Committee.

3. CHAIRMAN

- a) The Chairman of the Committee shall be an Independent Director or Senior Independent Director identified by the Board from amongst the Committee members.
- b) In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the Committee meeting.
- c) The Chairman of the Committee shall:-
 - i. lead the succession planning and appointment of Board members, including the future Chairman and Chief Executive Officer (or any other person assuming the similar roles and responsibilities); and
 - ii. Lead the annual review of board effectiveness, ensuring that the performance of each individual Director and Chairman of the Board are independently assessed.

4. SECRETARIES

The Company Secretaries shall be the Secretaries of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

5. MEETINGS**a) Frequency of Meeting**

The Committee should meet regularly, at least once a year, with due notice of issues to be discussed and should record its conclusion in discharging its duties and

responsibilities.

b) **Quorum**

The quorum shall be 2 members who are independent directors.

c) **Notice**

Notice of the meetings shall be given in writing sent through the post, facsimile, electronic mail and by any means of telecommunication in permanent written form to all Committee members, except in the case of emergency, where the Committee may waive such requirement.

d) **Participation**

- i. The Committee members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- ii. Other Board members, employees and/or consultants may attend the Committee meeting upon invitation of the Committee.
- iii. Questions arising at any meeting of the Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Committee shall have a second or casting vote.

6. MINUTES

- a) Minutes of each meeting shall be kept at the registered office and distributed to each member of the Committee and also to the other members of the Board. The Committee Chairman shall report on the proceeding of each meeting to the Board.
- b) The Minutes of the Chairman meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.
- c) The Committee members may inspect the minutes of the Committee at the Registered Office or such other place as may be determined by the Committee.

7. CIRCULAR RESOLUTION

A resolution in writing signed by a majority of the Committee for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more Committee members. Any such document may be accepted as sufficiently signed by a Committee member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of a Committee member.

8. REPORTING

The Committee shall report to the Board, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least once a year, but more frequently if it so wishes.

The Committee shall report to the Board on any specific matters referred to it by the Board.

9. AUTHORITY

The Committee shall, in accordance with a procedure to be determined by the Board and at the

cost and expense of the Company, where necessary and reasonable for the performance of its duties:-

- a) be able to use a variety of approaches, sources or independent sources to ensure that it is able to identify the most suitable candidates. This may include sourcing from a directors' registry and open advertisements or the use of independent search firms;
- b) be able to engage independent expert at the cost of the Company, to carry out evaluation on effectiveness of the board, its committees and individual directors, if deemed necessary;
- c) have full and unrestricted access to the details/information on the remuneration packages of the Executive Director and senior management; and
- d) be able to obtain independent professional advice or other advice, for the purpose of assessing the performance of the Board, the Board Committees and individual Directors of the Company, as well as the remuneration, fee and other benefits of Board and senior management, and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

10. RESPONSIBILITIES AND DUTIES

10.1 Nomination

- a) To assess and recommend to the Board, the candidate for directorship, Chairman or Chief Executive Officer (or any other person assuming the similar roles and responsibilities), based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender;
- b) When identifying candidate for directorship, Chairman or Chief Executive Officer (or any other person assuming the similar roles and responsibilities), aside from recommendation by the existing Board members, Management or shareholders, the Nomination Committee shall also consider utilising independent sources or any other sources to identify the suitably qualified candidate;
- c) To assess and examine, on annual basis or as and when require, the size and composition of the Board and Board Committees, with a view to determining the impact of the number upon its effectiveness;
- d) To ensure sufficient diversity and independence in the Board in order to achieve greater depth and breadth in the decision-making process;
- e) To review on annual basis, the required mix of skills, experience, gender diversity and other qualities including core competencies which Non-Executive and Executive Directors should have;
- f) To review on annual basis, the meeting attendance of the Directors at the Board and/or Board Committee(s) Meetings and sufficiency of time commitment of the Directors in discharging their roles and responsibilities in the Company;
- g) To review on annual basis, the term of office and performance of the Audit Committee ("**AC**") and each of its members to determine whether the AC and members have carried out their duties in accordance with the terms of reference of the AC;
- h) To assess on annual basis, the effectiveness of the Board as a whole, the Board Committees and the contribution and performance of each individual Director. The evaluation of the Board includes a review of the Board's performance in addressing the Company and its subsidiaries ("**the Group**")'s material sustainability risk and opportunities. All assessments and evaluations carried out by the Committee in the discharge of all its functions would be properly documented;
- i) To assess on an annual basis, appointment and re-appointment of Independent

Directors. The tenure of an Independent Director should not exceed cumulative term of nine (9) years. After a cumulative term of nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. However, if the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek shareholders' approval annually through a two-tier voting process;

- j) To review on annual basis, the training programmes attended by the Directors and to identify or recommend the training needs for the Directors;
- k) To consider and recommend the re-election of Directors who will be retiring pursuant to the Company's Constitution; and
- l) To develop and continually review the succession plan for the Board, Chairman and senior management of the Company.

10.2 Remuneration

- a) To administer a fair and transparent policy or procedure for setting remuneration of Directors and senior management, which takes into account the demands, complexities and performance of the Company as well as skills and experience required. The policy or procedure shall be reviewed periodically to ensure relevance to the Group;
- b) To review and assess the remuneration package of the Executive Directors and senior management in all forms, with or without other independent professional advice or other outside advice. The remuneration packages shall be determined on the basis of the Directors' and key senior management's merit, qualification and competences, while having regard to the Group's operating results, individual performance and comparable market statistics, which are aligned with the business strategy and long-term objectives of the Group. In addition, the performance of the Group in managing material sustainability risks and opportunities should also be considered;
- c) To ensure the level of remuneration is sufficiently attractive and be able to retain and reward the Executive Directors and senior management in order to run businesses of the Group successfully;
- d) To ensure the level of remuneration or fee should reflect the experience and level of responsibilities undertaken by the particular Director;
- e) To recommend to the Board the remuneration package of the Executive Directors and Directors' fee and other benefits for Non-Executive Directors;
- f) When recommending the fee and other benefits for the Independent Directors, the Committee to ensure it does not conflict with the Independent Directors' obligation to bring objectivity and independent judgement on matters discussed at Board meetings; and
- g) To recommend matters relating to the remuneration of the Directors and key senior management of the Group for the Board's consideration and decision.

10.3 Other Matters

- a) To consider and examine such other matters as the Committee considers appropriate; and
- b) To consider any other matters as defined by the Board.