

NOMINATION & REMUNERATION COMMITTEE

TERMS OF REFERENCE

1.0 OBJECTIVES

The principal objectives of the Nomination and Remuneration Committee (“NRC”) are:-

- (1) to institute an effective process to identify and to nominate prospective board member candidates to the board of Rohas Tecnic Berhad (“RTB”) (“the Board”), whenever the occasion arises;
- (2) to review the remuneration, compensation and benefit packages of the Directors;
- (3) to assess the performance and effectiveness of the Board and each Director of RTB;
- (4) to review the policies relating to the recruitment, retention and remuneration of Key Senior Management; and
- (5) to review the Key Senior Management succession plan of the RTB Group.

2.0 AUTHORITY

2.1 The NRC is authorised by the Board:-

- 2.1.1 to carry out its duties, functions and powers as set out in these Terms of Reference;
- 2.1.2 to have full and unrestricted access to the Company’s records, properties and personnel in carrying out its duties and responsibilities; and
- 2.1.3 to seek independent professional advice and expertise deemed necessary for the performance of its duties.

3.0 FUNCTION AND RESPONSIBILITIES

The functions and responsibilities are as follows:-

3.1 Nomination Function:

(A) The Board

- 3.1.1 to identify and recommend prospective nominees to the Board as well as to the Board Committees of RTB Group having regard to the mix of skills, expertise, qualification, experience as well as independence and diversity (including race, cultural background and gender diversity) required to meet the needs of RTB;
- 3.1.2 to review and assess the appointment, effectiveness and performance of the Board and the Board Committees as they conduct their duties in accordance with their terms of reference;
- 3.1.3 to review annually the structure, size and composition of the Board as follows:-
 - (a) to ensure that the Board comprises of a majority of Non-Executive Directors and that the Board has the appropriate mix of skills, experience and other qualities for the Board to function effectively and efficiently; and

- (b) that the composition of the Board is represented by no less than one third of Independent Non-Executive Directors;
- 3.1.4 to recommend Directors who are retiring (by rotation) for re-election;
- 3.1.5 to recommend the chairmanships and members of Board Committees;
- 3.1.6 to recommend the termination of Directors in accordance with Company's policies, laws and/or regulatory requirements;
- 3.1.7 to review the status of all the Independent Non-Executive Directors on an annual basis;
- 3.1.8 to ensure that each Director fulfils the Mandatory Accreditation Programme ("MAP") and, on continuous basis, to encourage Directors to attend relevant training programmes which would further enhance the competencies of the Directors;
- 3.1.9 to provide an orientation process for newly appointed Directors; and,
- 3.1.10 to ensure that there is a proper succession plan for the Board.

(B) Key Senior Management

- 3.1.11 to review and to recommend to the Board policies relating to the recruitment, retention, promotion and removal of Key Senior Management;
- 3.1.12 to review the recruitment, retention, promotion, removal and conduct annual performance assessments of the GCEO, CIO and CFO; and
- 3.1.13 to review Key Senior Management succession plan.

3.2 Remuneration Function:

To review and to recommend to the Board the remuneration policies and framework for Directors and Key Senior Management.

(A) The Board

- 3.2.1 to review the policies on matters relating to remuneration and benefits package including share grant schemes for Directors.

(B) Key Senior Management

- 3.2.2 to review policies on matters relating to the remuneration and benefits including share grant schemes (where applicable) for the Key Senior Management;
- 3.2.3 to review the terms of service contracts and/or employment of the GCEO, CIO and CFO;

3.3 To consider any other matters referred by the Board to the NRC.

3.4 In discharging its duties, the NRC shall at all times be mindful of the provisions of all applicable laws, regulations and guidelines.

4.0 COMPOSITION OF THE NRC

- 4.1 The NRC shall be composed exclusively of Non-Executive Directors, a majority of whom are independent.
- 4.2 The Chairman of the NRC shall be a Non-Executive Director.
- 4.3 The composition of the NRC shall not be less than three (3) members.
- 4.4 In the event that the composition of the NRC membership is reduced to less than three (3) members, any vacancy should be filled within three months.
- 4.5 All members shall be serving members of the Board of the Company.

5.0 NRC MEETINGS

- 5.1 The Chairman shall convene meetings as and when required, to report and make recommendations to the Board, at least once in a financial year.
- 5.2 The number of NRC meetings held in a year and the details of attendance of each individual Member in respect of meetings held shall be disclosed annually in the Annual Report.
- 5.3 The Chairman of the NRC, or the Secretary on the requisition of the Members, shall at any time summon a meeting of the Members by giving reasonable notice.
- 5.4 No business shall be transacted at any meeting of the NRC unless a quorum of two (2) members is present and a resolution of the NRC shall be by the affirmative vote of a majority of the Members present.
- 5.5 The Chairman of the NRC shall chair the NRC meetings and in his/her absence, the Members present shall elect one (1) of the Members to be Chairman of the meeting.
- 5.6 Other Board members, Management, professional advisers and/or other appropriate officers may attend meetings only upon the invitation of the NRC.
- 5.7 In appropriate circumstances, the NRC may deal with matters by way of circular resolution in lieu of convening a formal meeting. A circular resolution in writing, stating the reason(s) to arrive at a recommendation or resolution, signed by a majority of the Members, shall be valid and effective as if it had been passed at a meeting duly convened and constituted.
- 5.8 All recommendations and findings of the NRC shall be submitted to the Board for approval.

6.0 SECRETARY OF THE NRC

- 6.1 The Secretary of the NRC shall be the Company Secretary.
- 6.2 The Secretary shall draw up an agenda for each meeting, in consultation with the Chairman of the NRC. The Agenda and meeting papers shall be sent to all Members of the NRC and any other persons who may be required to attend the meeting at least five (5) business days prior to each meeting. If there is a unanimous consent by the members of the NRC present in the meeting, a short notice shall suffice.
- 6.3 The Secretary shall prepare the written minutes of the meeting and distribute it to each Member as soon as practicable. The minutes of the NRC shall be confirmed and signed by the Chairman of the NRC or the presiding Chairman of the next succeeding meeting.

7.0 REVISION OF THE TERMS OF REFERENCE

- 7.1 Any revision or amendment to the Terms of Reference, as proposed by the NRC, shall be presented to the Board for its approval.
- 7.2 Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

Notes:

1. *Key Senior Management shall refer to the following:-*
 - a. *Group Chief Executive Officer ("GCEO") or the highest executive function in the RTB Group;*
 - b. *Chief Investment Officer ("CIO");*
 - c. *Chief Financial Officer ("CFO"); and*
 - d. *Chief Operating Officers.*
2. *The recruitment, retention, annual performance assessment and remuneration of the following officers are excluded from the purview of NRC and shall fall under the purview of the Audit and Risk Management Committee:-*
 - a. *Chief Internal Audit or equivalent function; and*
 - b. *Chief Risk Officer or equivalent function.*

ROHAS
TECNIC

Version 1.0 – Approved by the Board of Directors on 28.12.2020

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