

PBA Holdings Bhd (515119-U)

NOMINATION AND REMUNERATION COMMITTEE TERMS OF REFERENCE

1. Membership

- 1.1 Members of the Committee shall be appointed by the Board, in consultation with the Chairman of the Nomination and Remuneration Committee. The Committee shall be made up of at least three (3) members, all of whom must be non-executive directors and a majority of Independent Non-Executive Directors.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer and external advisers may be invited to attend for all or part of any meeting as and when appropriate.
- 1.3 The Chairman of the Committee shall be appointed among the members of the Committee and must be a non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

2. Secretary

- 2.1 The Company Secretary or their nominee shall act as the Secretary of the Committee and shall keep a record of:-
 - 2.1.1. The membership and the dates of any changes to the membership of the Committee; and
 - 2.1.2. Any person or firm who provides advices or services to the Committee or materially assists the Committee on matters relating to Directors' remuneration.
- 2.2 The Secretary of the Committee shall circulate the minutes of each meeting to the Chairman of the Committee and, once agreed, to all members of the Committee and also the other members of the Board, unless a conflict of interest exists.

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be **three (3)**. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 3.2 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.

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4 Meetings

- 4.1 The Committee shall meet at such time as the Chairman of the Committee shall require.
- 4.2 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee or the Chairman of the Board.
- 4.3 Meetings and proceedings of the Committee will be governed by the Company's Articles of Association regulating the meetings and proceedings of Directors.
- 4.4 In the event that a matter is required to be resolved by a vote of the Committee, any such matter shall be decided by a majority of votes and the Chairman shall not have a casting vote.
- 4.5 The Secretary shall minute the proceedings and resolutions of the Committee meetings, including the names of those present and in attendance.
- 4.6 The minutes of meetings of the Committee shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.
- 4.7 A Resolution taking the form of one or more documents in writing signed or approved by other electronic communications by a majority of the members of the Committee, provided that they are sufficient to form a quorum at a meeting of the Committee, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted; provided that the resolution is circulated to all members of the Committee. All such resolutions shall be described as "Circular Resolution of Committee" and shall be forwarded or otherwise delivered to the Secretary upon signing without delay, and shall forthwith be recorded by the Secretary in the Company's Minute Book. Any such resolution in writing may be contained in one (1) document or separate copies thereof (which may be prepared and circulated by electronic communications with copy sent by courier or registered post) which is signed by one (1) or more of the member of the Committee.

5 Primary Purpose

- 5.1 The Committee is responsible for recommending to the Board for approval of the following appointments:
 - a) Members of the Board (other than Government Appointed Directors who were appointed by Special Shareholder of the Company);
 - b) Members of the Board Committees;
 - c) Senior Independent Non-Executive Director; and
 - d) Key Senior Management such as Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO) and etc.

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- 5.2 The Committee must review the term of office and performance of Audit and Risk Management Committee ("ARMC") and each of its members annually to determine whether such ARMC and members have carried out their duties in accordance with their terms of reference.
- 5.3 The Committee will review and recommend to the Board the remuneration packages for Chief Executive, executive directors and such other members of the executive management as it is designated to consider.
- 5.4 The Committee is responsible for reviewing and approving the appointment of the Group's Key Senior Management as may be determined by the Committee from time to time.

6 Responsibilities

Specific responsibilities in relation to nomination matters include, to

- 6.1 Formulating the nomination, selection and succession policies for members of the Board, Senior Independent Non-Executive Directors, CEO, CFO, COO, and the Group's Key Senior Management as may be determined by the Committee from time to time;
- 6.2 Make recommendations to the Board on new candidate(s) for appointment/election, and re-appointment/re-election of Directors to the Board;
- 6.3 Make recommendations to the Board for appointments to fill casual vacancies;
- 6.4 Make recommendations to the Board on the appointment of Nominee Directors on the functions Board of the subsidiaries;
- 6.5 Conduct rigorous review to determine whether a director can continue to be independent in character and judgement, and also to take into account the need for progressive refreshing of the Board;
- 6.6 Reviewing the required mix of skills, experience, time commitment and other qualities of the Board annually;
- 6.7 Review and recommend the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- 6.8 Reviewing the term of office and performance of ARMC and each of its members annually to determine whether such ARMC and members have carried out their duties in accordance with their terms of reference;
- 6.9 Reviewing and recommending to the board the appointment of members of other Board committees established by the Board from time to time;

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- 6.10 Establishing a set of performance criteria to evaluate and review the performance of each member of the Board annually;
- 6.11 Ensuring that orientation and education programmes are provided for new members of the Board, and reviewing the Directors' continuing education programmes;
- 6.12 Recommend the engagement of external professional advisors to assist and/or advise the Committee, on selection and succession policy matters, where necessary;

Specific responsibilities in relation to remuneration matters include, to:-

- 6.13 Review and recommend to the Board the framework or broad policy for the remuneration of the Company's Chief Executives, executive directors and such other members of the executive management as it is designated to consider. The remuneration of non-executive directors shall be a matter for the Chairman and the executive members of the Board. No director or senior management shall be involved in any decisions as to their own remuneration;
- 6.14 Approve the utilization of the provision for annual salary increment, performance bonus, and long term incentives (including share grant and bonus) in respect of each financial year;
- 6.18 Review the ongoing appropriateness and relevance of the remuneration policy;
- 6.19 Approve the design of, and determine targets for, any performance related pay schemes operated by the company and approve the total annual payments made under such schemes;
- 6.20 Within the terms of the agreed policy and in consultation with the Chairman, determine the total individual remuneration package of each executive director and senior executives including bonuses, incentive payments and share options or other share awards; and
- 6.21 Oversee any major changes in employee benefits structures throughout the Company or Group.

7 Reporting Procedure

- 7.1 The Chairman of the Committee shall report formally to the Board on its proceedings on all matters within its duties and responsibilities.
- 7.2 The Committee may from time to time submit to the Board its recommendation on matters within its purview, for the Board's decision.

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8 Authority

- 8.1 The Committee is authorised by the Board at the expense of the Company to investigate any matter within duties as set out in these terms of reference. It is authorised to seek any information it requires from any Director or employee in order to perform its duties and all Directors and employees are required to co-operate with any request made by the Committee.
- 8.2 In connection with its duties the Committee is authorised by the Board to obtain, at the Company's expense, any outside legal or other professional advice. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

9. General

- 9.1 The Committee shall arrange for periodic review of its own 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.
- 9.2 The Committee members shall be appointed by the Board of Directors and the Board of Directors may revoke the appointment of a member and/or vary the term of appointment of a member at any time as it deems fit.
- 9.3 Nothing in these Terms of Reference is intended to, amend, detract from or conflict with the Articles of Association of the Company, and in such event the Articles of Association shall prevail.

~ End ~