



KUMPULAN PERANGSANG SELANGOR BERHAD (23737-K)

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

The Terms of Reference of the Nomination and Remuneration Committee shall be as follows: -

1. **CONSTITUTION**

The Committee has been established by a resolution of the Board of Directors and shall be known as the Nomination and Remuneration Committee (“NRC”).

2. **OBJECTIVES**

A) The primary objectives of the NRC in relation to the nomination function are as follows:

- 2.1 In assessing the existing directors’ ability to contribute to the effective decision making of the Board of Directors;
- 2.2 In identifying, recommending appointments of directors and orienting new directors;
- 2.3 In identifying the mix of skills and experience and other qualities the Board requires for it to function completely and efficiently;
- 2.4 In identifying, assessing and recommending to the Board of Perangsang Selangor, the Non-Executive Directors (“NEDs”)/ external experts as board representative to sit in the board of subsidiaries and/or associate companies;
- 2.5 In reviewing and recommending to the Board of Perangsang Selangor, the executive appointments of the Chief Executive Officer (“CEO”) of Perangsang Selangor;
- 2.6 In identifying, reviewing and recommending to the board of subsidiary companies the prospective independent non-interested candidate(s) with experience and/or relevant expertise.

B) The primary objectives of the NRC in relation to remuneration function are as follows:

- 2.7 To review and recommend to the Board the remuneration packages for the NEDs, Board Committees members and CEO of Perangsang Selangor.

2.8 To ensure that the CEO of Perangsang Selangor (where the CEO is not a director of the Company) is fairly rewarded for his/her performance as well as encourage him/her to act in ways that enhances the Company's long-term profitability, sustainability and value.

3. COMPOSITION (MEMBERSHIP)

- 3.1 The members of the NRC shall be appointed by the Board of Directors from amongst the Directors of the Company and shall consist of not less than four (4) members.
- 3.2 The members of the NRC shall comprise exclusively of NEDs and a majority of whom are independent.
- 3.3 The Chairman of the NRC shall be either an Independent Director or Senior Independent Director who shall be appointed by the Board.
- 3.4 No alternate Directors of the Board shall be appointed as a member of the Committee.

4. MEETING AND QUORUM

- 4.1 The Meetings shall be held not less than one (1) time a year. A member at any time and the Secretary shall on the requisition of a member summon a meeting of the NRC.
- 4.2 Any three (3) members present shall constitute a quorum.
- 4.3 At all meetings of the NRC, the Chairman of the Committee, if present, shall preside. In the absence of the Committee's Chairman, the members present at the meeting shall elect a Chairman of the meeting, who shall be an Independent Director.
- 4.4 Issues/matters arising at any meeting of NRC shall be decided by a majority of votes and a determination by a majority of members shall for all purposes be deemed a determination of the NRC.
- 4.5 In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
- 4.6 The Company Secretary shall be the Secretary of the NRC.
- 4.7 Any resolution in writing, signed or assented to by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held, and may consist of several documents in the like form, each signed by one or more members of the Committee.

5 **DUTIES & RESPONSIBILITIES**

A) Nomination Matters:

- 5.1 To recommend to the Board, suitable candidates for directorships to be filled in the Company by considering the following factors:
- skills, knowledge, expertise and experience;
 - professionalism;
 - integrity; and
 - in the case of candidates for the position of independent non-executive directors, the NRC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.
- 5.2 To consider in making its recommendations, candidates for directorship proposed by the CEO and, within the bounds of practicability, by any other Senior Management or any Director or Shareholder.
- 5.3 To conduct rigorous review as soon as practicable, on or before the tenure of independent director reach the nine (9) years tenure limits, to decide whether to retain and re-designate the affected director(s) as non-independent director.
- 5.4 To identify prospective candidates with experience and relevant expertise and making recommendations to the Board of Perangsang Selangor, for board representation in the subsidiaries and/or associate companies of Perangsang Selangor.
- 5.5 To identify prospective independent non-interested candidate(s) with experience and/or relevant expertise and making recommendations for appointment as board member in subsidiary board, for board of subsidiary's approval.
- 5.6 To identify, review and recommend to the board of Perangsang Selangor the prospective candidates for the executive appointments of the CEO of Perangsang Selangor.
- 5.7 The NRC shall make recommendations to the Board concerning matters relating to:
- a) Establishing Company Corporate Key Initiatives ("CKIs") and setting targets linked to business strategy
 - b) Establishing Key Performance Indicators ("KPIs") to drive organisational performance and setting targets for CEO of Perangsang Selangor.
- 5.8 To develop criteria and oversee annual assessment with the appropriate criteria on the effectiveness of the Board of Directors as a whole, the Board Committees, Independence Assessment and the contribution of each individual Director and CEO of Perangsang Selangor.

- 5.9 To review the term of office, performance of the Audit Committee (“AC”) and assessment of AC members knowledge of financial literacy annually to determine whether such AC and members have carried out their duties in accordance with their terms of reference, in line with Paragraph 15.20 of Bursa Malaysia Securities Berhad Main Market Listing Requirements.
- 5.10 To review and recommend to the Board the required mix of skills and experience and other qualities the Board requires in order to function completely and efficiently.
- 5.11 To assess the performance and contributions of Directors who stand for re-election whether they meet established performance evaluation criteria.
- 5.12 To develop criteria to assess independence of directors.
- 5.13 To facilitate achievement of board gender diversity policies and targets.
- 5.14 To facilitate Board induction and training for newly appointed Director.
- 5.15 To review training program for the Board.
- 5.16 To review the succession planning of the Board.
- 5.17 To review the succession planning of CEO. Talent Management and Succession Planning policies set by the Group will be used as guiding principle. The key duties are as follows:
 - a) To identify high potential and selected talents for C Level position.
 - b) To approve specific development intervention of selected talent.
 - c) To ensure follow through on development agenda of each talent.
 - d) To review progress, new assignments, hiring external expertise in order to recalibrate development activities to address capability needs for optimum results.

B) Remuneration Matters

- 5.18 To formulate or review the remuneration for the members of the Board, Board Committees, board representatives on the functional board of the subsidiaries and/or associate companies.
- 5.19 To review, appraise and make recommendations to the Board on the CEO of Perangsang Selangor remuneration, salary increment, performance bonus and compensation.
- 5.20 To appraise and recommend suitable short and long-term policies and performance-related incentive schemes for the Company.
- 5.21 To review and recommend to the Board on the staff annual salary increment pool, performance bonus pool in respect of each financial year.

5.22 To review and recommend any major changes in remuneration policy and employees benefits structure throughout the Company in line with market practice.

6. **AUTHORITY**

6.1 The NRC is authorised by the Board of Directors to review, appraise and recommend any matter within its Terms of Reference.

6.2 The NRC is authorised by the Board of Directors to obtain outside professional advice and to secure the attendance of external parties with relevant experience to render necessary advice.

7. **REVISION OF THE TERMS OF REFERENCE**

7.1 Any revision or amendment to the Terms of Reference, as proposed by the Committee shall be first 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.