



KYM HOLDINGS BHD.
NOMINATION & REMUNERATION COMMITTEE
TERMS OF REFERENCE

**Nomination & Remuneration Committee
Terms of Reference**

1. COMPOSITION

- (a) Members of the Committee shall be appointed by the Board. The Committee shall be made up of at least 3 members, all of whom shall be non-executive directors and a majority of whom are independent.
- (b) The Chairperson of the NRC shall be an Independent Non-Executive Director. The Chairperson of the Board must not be a member of the NRC.

2. DUTIES AND RESPONSIBILITIES

2.1 Nomination Functions and Duties

2.2.1 Assessment of Board Composition

- (a) To periodically review the structure, size and composition of the Board and to present recommendations to the Board on the optimum number of directors on the Board to ensure its effectiveness and to comply with regulatory requirements.

2.2.2 Appointments

- (a) Make recommendations to the board on new candidates for appointment to the Board of the Company based on the Directors' Fit & Proper Policy.
- (b) Make recommendations to the Board on appointment of directors to fill the seats on Board Committees.

2.2.3 Retirement and Re-election

- (a) Make recommendations to the Board for the re-election / re-appointment of directors retiring by rotation at the Annual General Meeting of the company. The tenure of an Independent Non-Executive Director should not exceed a cumulative term limit of nine (9) years.

2.2.4 Annual Performance Assessment

- (a) Review effectiveness of the Board as a whole and the committees of the Board, as well as the performance and contribution of each individual Director annually.
- (b) Develop, maintain and review the criteria for evaluating the Board's, and Board Committees' and each individual Director's performance.
- (c) Recommend the engagement of external professional advisors to assist / advise the NRC on the board evaluation and/or leadership needs, where necessary.

2.2.5 Succession Planning

- (a) Review the succession planning for the Directors and the needs of Directors for their continuous training programmes.
- (b) The Chief Executive Officer (CEO) shall assist the NRC in ensuring an appropriate succession planning and talent management framework is in place for the position of the CEO and key Senior Management positions. The NRC shall be apprised of the progress of the programme on a regular basis, and at least once a year. [new addition]

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2.2 Remuneration Function and Duties

2.2.1 Exercise oversight of the Group's remuneration policy and framework and recommend to the Board a formal and transparent process governing the compensation of the Chief Executive Officer, Executive Directors and Key Senior Management of the Group.

- (a) Review whether the remuneration package appropriately reflect the Group's operational demands, organizational complexities and performance as a whole as well as skills and experience required, and aligned with the business strategy and long term objectives of the Company.
- (b) Review the competitiveness and appropriateness of compensation levels including market benchmarks, time commitment and scope of responsibilities.
- (c) make recommendations to the Board on remuneration packages and benefits annually as extended to the Executive Directors for consideration. The remuneration packages of the Executive Directors should be determined by the Board (with each executive director abstained from discussion on their remuneration).

2.2.2 Review the remuneration packages, allowances and benefits for the Non-Executive Directors and report to the Board, particularly on whether the remuneration remains appropriate to each director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken. The remuneration of Non-Executive Directors should be determined by the Board as a whole. The remuneration and incentives for Independent Directors should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed at Board meetings.

2.3 To review and report such other matters as may be delegated by the Board from time to time.

3. MEETINGS

The NRC shall meet at least twice a year and at such other time(s) as it deems necessary to discharge its responsibilities. The meetings of the NRC may be conducted by means of telephone conference, video conference or any other form of audio or audio-visual instantaneous communication and the participation in the meeting via the abovementioned communication channels shall constitute presence in person at such meeting.

The Quorum for the NRC shall be two (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 Chairperson of the NRC shall be entitled to a second or casting vote.

Any member who has an interest in any matter(s) being reviewed or considered shall abstain from voting on the matter.

Other Board members, Chief Executive Officer and/or other appropriate officers may attend NRC meetings only upon the invitation of the NRC.

4. COMMUNICATION TO THE BOARD

Meeting materials shall be circulated at least 5 business days or within such other reasonable period in advance of the NRC meeting.

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Upon conclusion of the NRC meeting, the minutes will be circulated in a timely manner.

The approved minutes of the NRC Meeting shall be tabled to the Board for notation and recorded by the Secretary in the NRC Minutes' Book.

The NRC may from time to time submit to the Board its recommendation on matters within its purview, for the Board's decision.

The Chairperson shall report to the Board after each NRC Meeting on significant issues or decisions made within its purview, where applicable.

The NRC shall also prepare a report on the effectiveness of the Board as a whole and the individual performance of each Director.

5. WRITTEN RESOLUTION

A resolution in writing signed by all of the members shall be valid and effectual as if it had been passed at a meeting of the NRC duly called and constituted.

All such resolutions shall be described as "Nomination & Remuneration Committee Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the Committee's minutes book.

Any such resolution may consist of several documents in the like form, each signed by one (1) or more members. The expressions "in writing" or "signed" include approval by legible confirmed transmission by facsimile, telex, cable, telegram or other forms of electronic communications.

6. SECRETARY

The Company Secretary shall be the secretary of the NRC. The Company Secretary shall be responsible for preparation of agenda in consultation with the Chairperson, and distribution to all the members the papers to be deliberated at the meeting.

7. EVALUATION

The term of office, performance and effectiveness of the NRC as a whole and each of its members shall be reviewed annually to determine whether the NRC and its members have carried out their duties in accordance with the Terms of Reference.

8. REVIEW OF TERMS OF REFERENCE

The Terms of Reference shall be assessed, reviewed and updated where and when necessary in accordance with changes made to the Malaysian Code on Corporate Governance, Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act 2016, Capital Market and Services Act 2007, or any other regulatory requirements.