

PDZ HOLDINGS BHD. [199501031213 (360419-T)]

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

1. COMPOSITION

The composition of Nomination and Remuneration Committee of PDZ Holdings Bhd. (“the Company”) (“NRC” or “Committee”) shall be appointed by the Board of Directors of the Company (“Board”) from among its members and comprising exclusively of Non-Executive Directors, a majority of whom must be Independent Non-Executive Directors.

2. CHAIRMAN

The Committee shall elect a Chairman from amongst its members who shall be an Independent Director and the elected Chairman of the Committee shall be approved by the Board.

In the event the elected Chairman is not able to attend the Committee meeting, a member of the Committee shall be nominated as Chairman for the meeting.

3. MEETINGS

i. Meetings

The Committee shall meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. In the event issues requiring the Committee’s decision arise between meetings, such issues shall be resolved through written resolution. Such written resolution in writing shall be valid and effectual if it is signed or approved by letter, facsimile or any electronic means by a majority of the members of the Committee.

For the Committee’s meetings (except in the case of an emergency), reasonable notice shall be given in writing to all members of the Committee.

Other Board members and senior management may be invited to attend the Committee meetings.

ii. Quorum

A minimum of two (2) members to form the quorum.

iii. Secretary of the Committee

The Company Secretary shall be the secretary of the Committee.

iv. Minutes of the Committee Meeting

Every meeting of the Committee must be recorded either by the Company Secretary or any other person approved by the Committee to take minutes and such minutes must be confirmed by the Committee at the next succeeding Committee meeting.

The minutes of each meeting signed by the Chairman of that meeting or by the Chairman of the next succeeding meeting shall be as evidence of the proceedings that the meeting was duly convened and held.

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

4. FUNCTIONS

The functions of the Committee are as follows:

For Nomination

- i. To consider and recommend to the Board suitable candidates for appointment as Directors of the Company. The Committee may utilise any independent sources to identify a suitably qualified candidate. The Committee shall nominate or appoint a gender-diverse Board. In making a recommendation to the Board on candidates for directorship, the Committee should consider the candidates:-
 - a. skills, knowledge, expertise and experience;
 - b. professionalism;
 - c. integrity; and
 - d. in the case of candidates for the position of Independent Non-Executive Directors, the Committee shall also evaluate the candidates' ability to discharge such responsibilities / functions as expected from Independent Non-Executive Directors.
- ii. To evaluate the required mix of skills, experience, core competencies, diversity (in terms of age, cultural background and gender) of the Board, the Board Committees and the contribution and performance of the individual Directors for the effective and efficient functioning of the Board and the Board Committees.
- iii. To appraise each individual Director and Chairman of the Board including Independent Directors, Executive Directors as well as the Chief Executive Officer in terms of their experience, knowledge, credibility and credentials, and assess their effectiveness and contribution in carrying out their obligations and duties as a Board member of the Company. All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.
- iv. To examine the ability of each Director to contribute to the effective decision-making process of the Board and ensure that the Board of the Company is functioning actively, efficiently and effectively in all its decision making.
- v. To assess the effectiveness of the Board and the Board Committees as a whole for assessing the contribution to the effectiveness on the decision-making process of the Board.
- vi. To review the term of office and performance of the Audit Committee and each of its members annually to determine whether such Audit Committee and its members have carried out their duties in accordance with their Terms of Reference.
- vii. To review and assess the independence of the Independent Directors of the Company.
- viii. To consider and recommend the Independent Non-Executive Directors beyond nine (9) years for continuation in office, having due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required.
- ix. To oversee the development of succession planning of the Board and senior management.
- x. To carry out such other functions or assignments as may be delegated by the Board from time to time.

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

For Remuneration

- i. To review and recommend to the Board the appropriate remuneration packages for the Directors of the Company, with or without seeking professional advice.
- ii. To review and recommend to the Board the fees and benefits payable to the Directors.
- iii. To assist the Board to formulate policies, guidelines and set composition of various types of components of remuneration such as basic salary, bonus and other benefits in kind for the Directors and key senior management of the Company.
- iv. To ensure that the Directors are fairly and appropriately remunerated according to the general market sentiments or conditions.
- v. To assist the Board to ensure that the Remuneration Policy put in place are fair and implemented through a transparent process.
- vi. To ensure all necessary actions are taken expediently by the Board to offer appropriate rewards, benefits, compensation and remuneration and to ensure that the levels of remuneration are sufficiently attractive to retain Directors and structuring the remuneration packages to link rewards to individual performance.
- vii. To assist the Board to ensure that all remuneration packages and benefits given to the Directors and key senior management are in line with the Company's Remuneration Policy and complying with all laws, rules, requirements, regulations and guidelines set by the relevant authorities and the Board from time to time.
- viii. Any carry out any other function that may be delegated by the Board which would be beneficial to the Company and ensure the effective discharge of the Committee's duties and responsibilities.

5. GENERAL MEETINGS

The Chairman of the Committee should attend the general meetings of the Company to answer any questions relating to the Committee's activities.

This Terms of Reference was revised and adopted by the Board of the Company on 21 September 2021.