

C.I. HOLDINGS BERHAD
Registration No. 197801000889 (37918-A)
(Incorporated in Malaysia)

TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

1. Objectives

The Nomination and Remuneration Committee ("NRC") is established to assist the Board of Directors (the "Board") of C.I. Holdings Berhad (the "Company") in discharging its responsibilities. The duties assigned to the NRC relate primarily to the recommendations on nomination of new directors to the Board and the remuneration framework of employees of the Company and its subsidiaries (collectively, the "Group").

2. Composition

The NRC shall be appointed by the Board from amongst its directors and shall consist of not less than three (3) members. The NRC must be composed of non-executive directors, a majority of which shall be independent directors.

No alternate director can be appointed as a member of the NRC and the members of the NRC may be removed at any time by the Board.

In the event of any vacancy in the NRC resulting in the number of members reduced to below three (3), the Board shall within three (3) months appoint a new member to fill the vacancy.

3. Chairman

The members of the NRC shall elect a Chairman from among their members who shall be an independent non-executive director.

4. Quorum

The quorum of the NRC meeting shall not be less than two (2), the majority of whom shall be independent non-executive directors.

5. Meeting

- (a) The NRC shall have at least one (1) meeting in a financial year and any such additional meetings as the Chairman shall decide in order to fulfill its duties;
- (b) The NRC meeting shall be chaired by the Chairman; or in his absence, another member who is an independent non-executive director nominated by the NRC;
- (c) The Company Secretary shall act as Secretary of the NRC and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting;

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- (d) The Secretary(ies) of the NRC shall be entrusted to record all proceedings of meetings;
- (e) The NRC may invite any Board member or any member of the senior management or any employees within the Company or the Group to attend any particular NRC meeting;
- (f) The NCR members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting;
- (g) The NRC shall report to the full Board from time to time, its recommendation for consideration and implementation and the final decision shall be the responsibility of the Board; and
- (h) As a best practice, the Chairman of the NRC should attend the Annual General Meeting to answer any shareholder questions on the NRC's activities.

6. Voting and Proceedings of Meeting

The decision of the NRC shall be by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote. Provided that where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question in issue, the Chairman shall not have a casting vote.

Circular resolutions signed by all the members shall be valid and effective as if it had been passed at a meeting of the NRC. Any such resolution may consist of several documents in like form, each signed by one or more NRC members and may be accepted as sufficiently signed by NRC members if transmitted to the Company by email, facsimile or other electronic means or digital written message/application to include a signature of NRC members.

7. Advisers

The NRC is authorised by the Board to seek appropriate professional advice inside and outside the Group as and when it considers this necessary at the expense of the Company.

8. Minutes

- (a) The NRC shall cause minutes to be duly recorded and entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the NRC. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.
- (b) Minutes of the NRC meetings will be made available to all Board members. A summary of significant matters of each meeting of the NRC and resolutions (if any) will be reported to the Board by the Chairman of the NRC.

- (c) The books containing the minutes of proceedings of any meeting of the NRC shall be kept by the Company at the registered office of the Company, and shall be opened for the inspection of any member of the NRC and the Board.

9. Authority

The NRC is authorised by the Board to carry out its duties and functions within its terms of reference. The NRC may seek any information it requires from any employees or officers of the Company, and may engage external consultants or advisers if deemed necessary.

The NRC shall have the authority to make any decisions on matters which fall within the purpose and responsibilities of the NRC.

The NRC shall report to the full Board from time to time, its recommendation for consideration and implementation. The final decision shall be the responsibility of the Board.

10. Functions and Responsibilities

The functions and responsibilities of the NRC are as follows:

10.1 Nomination matters

- (a) To formulate the nomination, selection and succession policies for the members of the Board, board committees, senior independent non-executive director and key management personnel;
- (b) To make recommendations to the Board on new candidates for appointment and re-election of retiring directors to the Board, subject to the conduct of a fit and proper assessment in accordance with the Company's fit and proper policy. In considering appointments to the Board, the Committee shall agree on a comprehensive job description covering experience, qualifications and core competencies required of a director. Also taking into account the existing skills and expertise of the board and the anticipated time commitment required;
- (c) To conduct a review to determine whether a director can continue to be independent in character and judgement;
- (d) To review and recommend to the Board the appointment of members of board committees;
- (e) To review annually the directors' training needs and ensure that orientation and education programmes are provided for new members of the Board;
- (f) To review the Board's succession plans;
- (g) To check on potential conflict of interest (including competing business) or independence issues;

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- (h) To consider the size and balance of the Board with a view to determine the impact of the number upon the Board's effectiveness and recommend it to the Board;
- (i) To recommend to the Board the Company's gender composition of the Board;
- (j) To recommend to the Board the protocol for accepting new directorships;
- (k) To consider and recommend the Independent 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;
- (l) To review annually the term of office and performance of the Audit and Risk Management Committee ("ARMC") and each of its members to determine whether such ARMC and members have carried out their duties in accordance with their terms of reference; and
- (m) To review annually the Board's mix of skills and experience and other qualities, including core competences which non-executive directors should bring to the Board and to be disclosed in the Annual Report.

All appointments proposed by the NRC shall continue to be subject to review and the approval by the Board prior to their commencement.

10.2 Remuneration matters

- (a) To review and make recommendations to the Board:
 - the remuneration packages of the executive directors and senior management of the Company, after taking into account all relevant factors to ensure that the executive directors and senior management are adequately incentivised and remunerated to encourage enhanced performance.
 - the level of fees and benefits for non-executive directors. The fees and benefits should reflect the level of responsibilities and time commitment expected of the non-executive directors.
- (b) To assist the Board in developing and administering a fair and transparent procedure for setting policy on remuneration of Directors and key senior management. The remuneration packages of the executive directors and senior management are determined on the basis of their merit, qualification and competence, having regard to the company's long term strategic goals, performance in managing sustainability risks and opportunities, operating results, individual performance and comparable market information. The remuneration of non-executive directors to take into consideration the company's performance in managing material sustainability risk and opportunities.

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- (c) To review the fees of the directors and benefits payable to directors including any severance payments/ compensation for loss of employment of director or former director and recommend to the Board of Directors and thereafter to be approved at a general meeting. When considering severance payments, the NRC should bear in mind that it must represent the shareholders' interest. Care should be taken to avoid determining a severance package that the public might deem to be excessive.
- (d) Within the terms of the agreed policy and in consultation with the Chairman, to determine the total individual remuneration package of each executive director and senior management, which includes bonuses and yearly increment.
- (e) To recommend the engagement of external professional advisors to assist and/or advise the NRC, on remuneration matters, where necessary.

Members of the NRC shall not participate or be involved in the deliberations or discussions of their own remuneration.

11. Procedures

The Board adheres to formal and transparent procedure when appointing directors and such procedures are as follows:-

- (a) The NRC shall prepare descriptions of the director characteristics the Board is looking for in a new appointment.
- (b) The NRC will seek professional advice as and when it considers necessary to identify a short-list of suitable candidates and a list of nominations for candidates proposed by the Group Managing Director, and within the bounds of practicability, by any other senior executive, director or shareholder for considerations.
- (c) All the candidates are interviewed by at least two members of the NRC whose evaluations will be circulated to all the members of the NRC. A target appointment date is then fixed.
- (d) The NRC will then have to make a majority decision in recommending the appointment to the Board.
- (e) The Board will then decide on the best candidate by ballot or majority decision and a Board resolution will be passed to appoint the candidate.
- (f) The written consent of the nominees to act if elected shall be secured.

The NRC shall regulate its own procedure to be followed in the discharge of its duties and responsibilities set out in section 9 above. The regulation and implementation of such procedure shall, as far as circumstances permit be in keeping with the principles and requirements of the Malaysian Code on Corporate Governance.

12. Succession Planning for Board

The NRC shall, as and when required:

- (a) keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- (b) give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in future;
- (c) make recommendations to the Board concerning the succession plans for executive directors and in particular for the Group Managing Director;
- (d) make recommendations to the Board concerning the re-appointment of any non-executive director at the conclusion of his or her specified term of office, re-election of any director under the retirement by rotation provisions in the Company's Constitution, continuation (or not) in service of any director who has reached the age 70, if any; and
- (e) make any necessary recommendations to the Board concerning the continuation in office, suspension or termination of service of any director (subject, in the case of Company employees to the provisions of their service contracts, if any).

13. Review of the NRC

The Board of the Company shall review the term of office and performance of the NRC and each of its members at least once every three (3) years to determine whether such NRC and members have carried out their duties in accordance with their terms of reference.

(This Terms of Reference of the NRC was approved and adopted by the Board on 31 October 2023)