



RCE Capital Berhad
Company No. 2444-M

NOMINATION & REMUNERATION COMMITTEE

TERMS OF REFERENCE

1.0 Composition

- 1.1 The Nomination & Remuneration Committee (“NRC”) shall be appointed by the Board of Directors (“Board”) from among their number and shall consist not less than three (3) members, comprises exclusively of non-executive directors, a majority of whom are independent.
- 1.2 In the event of any vacancy in the NRC resulting in the number of members being reduced to below three (3), the Board shall within three (3) months appoint such number of new members as may be required to make up the minimum number of three (3) members.
- 1.3 The appointment of a NRC member shall automatically be terminated if the member ceases to be a Director, or as determined by the Board.

2.0 Chairman

- 2.1 The Chairman of the NRC shall be elected from among the members who is an Independent Non-Executive Director.
- 2.2 In the absence of the Chairman of the NRC, the remaining members present shall elect one of their independent non-executive members as chairman of the meeting.
- 2.3 The Chairman of the NRC shall report to the Board on any matter that should be brought to the Board’s attention and provide recommendations of the NRC that require the Board’s approval at the Board Meeting.

3.0 Secretary

- 3.1 The Company Secretary shall act as the Secretary of the NRC.
- 3.2 The Secretary shall ensure all appointments of new Directors have been properly made and are in compliance with the Companies Act 2016 and Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Listing Requirements”). In carrying out this duty, the Secretary shall gather all necessary and relevant information from Directors prior to their appointments.



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- 3.3 The Secretary shall draw up an agenda for each meeting, in consultation with the Chairman of the NRC. The agenda shall be sent to all members of the NRC and any persons who may be required to attend the meeting.
- 3.4. The Secretary shall prepare the Minutes of the NRC meeting and distribute it to each member. The Minutes of the NRC shall be confirmed and signed by the Chairman of the NRC or the presiding Chairman at the next succeeding meeting.
- 3.5 The Minutes of the NRC meeting shall be maintained by the Secretary and be made available for notation to the Board.

4.0 Meetings and Quorum

- 4.1 The NRC shall meet at least once in a financial year, although additional meetings may be called at any time at the Chairman's discretion.
- 4.2 The Chairman of the NRC or the Secretary, on the requisition of the members of the NRC shall summon a meeting of the NRC except in the case of an emergency, reasonable notice of every NRC meeting shall be given in writing.
- 4.3 Meetings 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 pursuant to this provision shall constitute presence in person of such meeting.
- 4.4 The quorum for meetings shall be two (2), one (1) of whom must be an Independent Director.
- 4.5 No member of the NRC shall participate in any discussion or decision on their own nomination and remuneration.
- 4.6 The Chairman of the NRC shall update the Board on the relevant matters discussed by the NRC after each meeting.

5.0 Circular Resolution

The NRC shall deal with matters by way of circular resolutions in lieu of formally convening a meeting.



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A resolution in writing signed or approved by letter, telefax or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be forwarded or otherwise delivered to the Secretary and shall be recorded by the Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

6.0 Authority

The NRC is authorised by the Board to review and recommend any matters within its Terms of Reference with sufficient resources be provided in undertaking its duties. The NRC shall have:

- (a) have access to such information and/or appropriate professional advice, both from within the Company and the Group and externally, as it deems necessary or appropriate in discharging its responsibilities at the cost of the Company.
- (b) access to the advice and services of the Secretary.
- (c) request other Directors, members of Management, counsels, consultants or any employee as applicable, to participate in NRC meetings, as necessary, to carry out the NRC's responsibilities.

7.0 Functions

The duties and responsibilities of the NRC shall include the following:

7.1 To recommend to the Board of Directors, candidates for all directorships to be filled by the shareholders or the Board of Directors. In making its recommendations, the NRC should consider the following attributes of the candidates'-

- (a) age and gender;
- (b) skills, knowledge, expertise and experience, background and character;
- (c) professionalism, competence and commitment (including time commitment);
- (d) integrity; and
- (e) in the case of candidates for the position of Independent Non-Executive Directors, the NRC should evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.



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- 7.2 To review regularly the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary and to recommend directors to committees of Board.
- 7.3 To evaluate, propose and recommend candidates for the approval of the Board to fill Board vacancies as and when the needs arise, relying on sources from existing Board members, Management, major shareholders or independent sources.
- 7.4 To review the required mix of skills, knowledge and experience and other qualities, including core competencies which non-executive directors should bring to the Board.
- 7.5 To evaluate and recommend the appointment, promotion, transfer and dismissal of the Managing Director/Chief Executive/Deputy Chief Executive/Executive Director.
- 7.6 To review and evaluate the effectiveness and performance of the Managing Director/Chief Executive/Deputy Chief Executive/Executive Director including character, experience, integrity, competence and time to effectively discharge his role.
- 7.7 To establish and implement processes for carrying out annual assessment on the effectiveness of the Board as a whole, committees of the Board and contribution of each individual Director, including Independent Non-Executive Directors and Managing Director/Chief Executive/Deputy Chief Executive/Executive Director. All assessments and evaluations carried out by the NRC in the discharge of all its functions should be properly documented.
- 7.8 To assess annually, the independence of the Independent Directors. The assessment should take into consideration the criteria laid out in the Listing Requirements and such other factors as the NRC determines appropriate to take into account in determining whether the Director is independent of management; and free of any business or other relationship that could materially interfere with, or could be perceived to materially interfere with, the exercise of their unfettered and independent judgement.
- 7.9 To consider and recommend to the Board whether any of the Independent Directors who has served the Board for a cumulative period of more than nine (9) years, should continue to be retained as an Independent Director or otherwise.



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- 7.10 To review and recommend the outcome of the evaluations and assessments to the Board concerning the areas for continuous improvement.
- 7.11 To recommend Directors who are retiring by rotation to be put forward for re-election.
- 7.12 To review annually the term of office and performance of the Audit Committee and each of its members to determine whether they have carried out their duties in accordance with their terms of reference.
- 7.13 To oversee and review the Board's succession plan including the succession of Chairman of the Board and Managing Director/Chief Executive in order to maintain an appropriate balance of skills, knowledge and experience.
- 7.14 To ensure induction programme is in place for newly appointed Directors with respect to the business, structure and management of the Company as well as the expectations of the Board with regard to their contribution to the Board and the Company.
- 7.15 To review the training needs of Directors and ensure that all Directors receive appropriate continuous training programmes in order to broaden their perspective and to keep abreast with development in the market place and of the new statutory regulatory requirements.
- 7.16 To formulate or review the policy and procedures for remuneration of the Chairman, Board members and Managing Director/Chief Executive, to be aligned with their responsibilities and contributions including scope of service agreements, terms of employment or contract of employment/ service, benefits, pension or incentive scheme entitlement, bonuses, fees and expenses and any compensation payable on termination of employment/service contract by the Company and/or the Group and to review for changes to the policy, as necessary, and recommend the same to the Board for approval.
- 7.17 To review and recommend the remuneration package of the Non-Executive Directors including Non-Executive Chairman to the Board. The individuals concerned shall abstain from discussion of their own remuneration.



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- 7.18 To ensure that the remuneration framework for senior management and other employees are in place and structured to ensure that reward is measurably linked to individual's performance, skills, experience and level of responsibilities.
- 7.19 To recommend to the Board any performance related pay schemes for the Company or Group.
- 7.20 To oversee any major changes in employee remuneration and benefit structures throughout the Company or Group.
- 7.21 To produce a report on the details of remuneration of each director that will form part of the Company or Group's annual report and accounts.
- 7.22 To recommend to the Board the employment of the services of such advisers as it deems necessary to fulfill its responsibilities.
- 7.23 To carry out such other duties or functions as may be delegated by the Board from time to time or required by the regulatory authority.
- 7.24 To consider and examine such matters as the NRC considers appropriate.

8.0 Review of the Terms of Reference

The NRC shall review and assess the adequacy of this Terms of Reference on a periodic basis determined by the NRC or as and when necessary. Any revision or amendments to the Terms of Reference shall be approved by the Board.