



CTOS DIGITAL BERHAD

**NOMINATION AND
REMUNERATION COMMITTEE
TERMS OF REFERENCE**

No.	Heading	Details
1.	Introduction	<p>This policy document contains the terms of reference for the Nomination and Remuneration Committee (“NRC”), a sub-committee established by CTOS Digital Berhad’s (“the Company”) Board of Directors (“the Board”). It is intended to outline the roles, responsibilities, and authority of the NRC in its effective discharge of the functions set out herein.</p> <p>The NRC is subject to the provisions of the Company’s Board Charter and Terms of Reference, the Credit Reporting Agencies Act 2010 (“CRAA 2010”), the Companies Act 2016 (“CA 2016”), the Malaysian Code on Corporate Governance (“MCCG”), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“MMLR”), the Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries of the Securities Commission Malaysia and all other applicable laws and/or regulatory requirements as amended or updated from time to time.</p>
2.	Objectives	<p>In meeting its various functions as set out herein, the NRC will report to the Board and take reasonable steps in its oversight of the following broad roles:</p> <ul style="list-style-type: none"> <li data-bbox="584 1249 1399 1429">(i) To provide a formal and transparent procedure to review and assess the appointment / re-appointments of Directors, Board Committee members, the Group Chief Executive Officer (“GCEO”), the Deputy GCEO and the Company Secretary (where applicable) of the Company and its subsidiaries (“Group”). <li data-bbox="584 1464 1399 1644">(ii) Ensure that the Board and the Board Committees have an effective and balance composition with a diverse mix of skills, knowledge, qualifications, experience, age, cultural background, and gender to discharge their responsibilities respectively, and having regard to the MCCG. <li data-bbox="584 1680 1399 1957">(iii) Ensure that the Group has in place a remuneration policy and framework consistent with the Group’s business strategy, and a competitive remuneration structure so as to link rewards with corporate and individual performance to attract and retain the right talent of the appropriate caliber, skills, experience, and quality needed in the Board (which includes the Executive Director(s)) in order to drive and achieve the Group’s long-term objectives.

		<p>(iv) Ensure that a succession plan is in place for the Board and the C-Level Team (this includes the GCEO, Deputy GCEO, Group CFO of the Company and any personnel designated with “chief” in the Group’s subsidiaries).</p> <p>(v) To provide oversight on Human Resource (“HR”) matters, this includes recommending to the Board for approval of a remuneration policy for the Directors and the C-Level Team.</p>
3.	Role and Responsibilities of the NRC Chairman	<p>The NRC Chairman’s main role and responsibilities include, but are not limited to the following:</p> <p>3.1 To preside over all NRC meetings and ensuring the effective discharge of the NRC’s duties and responsibilities.</p> <p>3.2 To ensure that all members are enabled and encouraged to play their full role as an NRC member and making certain that all members receive timely, relevant information tailored to their needs and that they are properly briefed on issues arising at the NRC meetings.</p> <p>3.3 To report on material issues, which have been deliberated at NRC meetings to the Board.</p> <p>3.4 Lead the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed.</p> <p>3.5 Lead the succession planning and appointment of directors, and oversee the development of a diverse pipeline for Board and C-Level Team succession, including the future Chairman, Executive Directors and GCEO.</p>
4.	Role and Responsibilities of the NRC Secretary	<p>4.1 The NRC Secretary shall be the Board’s Company Secretary, or such other persons appointed by the NRC and approved by the Board.</p> <p>4.2 The role and responsibilities of the NRC Secretary is primarily to ensure that the minutes of each NRC meeting shall be kept and distributed to all members of the NRC and make the same available to Board members who are not members of the NRC. The NRC Secretary 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.</p>
5.		The duties and responsibilities of the NRC with regard to its nomination roles shall include the following:

	<p>Duties and Responsibilities of the NRC</p>	<p>5.1 To establish a framework for the appointment and re-appointment of Directors, Board Committee members, the GCEO and the Company Secretary (where applicable) and notify the Board its proposal.</p> <p>5.2 In recommending suitable candidates for directorship on the Board, the NRC should take into consideration the following objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background, and gender:</p> <ul style="list-style-type: none"> (i) Skills, knowledge, expertise, experience, and wide range of backgrounds of the candidates; (ii) Professionalism of the candidates; (iii) Character, competence and integrity of the candidates; (iv) Commitment and time, contribution, and performance of the candidates; (v) In the case of candidates for the position of Independent Directors, evaluate the candidates' ability to discharge such responsibilities and functions as expected from an independent director; (vi) In the case of candidates filling seats in respect of the Audit and Risk Committee in particular, to ensure the candidate is financially literate and possesses a wide range of necessary skills to discharge his/her duties. (vii) The NRC may utilise independent sources and variety of approaches to identify suitably qualified candidates and NRC should disclose the source, including whether such candidates were recommended by the existing directors, members of senior management or major shareholders. <p>5.3 Ensure the composition of the board is refreshed periodically, so that it is of the appropriate size, and has a balanced composition with a diverse mix of skills, knowledge, qualifications, experience, age, cultural background, and gender diversity in order to ensure its effectiveness in discharging its duties, and having regard to the MCCG.</p> <p>5.4 Assess on a periodic basis the independence of Independent Directors and that the Directors meet the identified independence criteria and are not disqualified under the relevant regulations.</p>
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6.	Composition of the NRC	<p>6.1 The NRC should be chaired by a Senior Independent Non-Executive Director or an Independent Director.</p> <p>6.2 The NRC shall comprise of only non-executive members, majority of whom are independent, with at least three (3) members. If the number of members fall below the requisite number (i.e., three (3) members), the Board shall, within three</p>

		<p>(3) months, appoint such number of new members as may be required to fulfil the minimum requirement.</p> <p>6.3 Individual directors may relinquish their membership in the NRC with prior written notice to the NRC Secretary. The NRC will be responsible for reviewing and recommending to the Board for their approval, another candidate to fill up such vacancy.</p> <p>6.4 The Board may from time to time and in its absolute discretion, revise the composition, roles, and responsibilities of the NRC.</p>
7.	Meetings	<p>7.1 The NRC shall meet at least two (2) times a year. Additional meetings may be called at the discretion of the NRC Chairman or by the Chairman of the Board. In the absence of the Chairman, the members present shall elect a chairman for the meeting from among the members present. The NRC meetings shall be governed by the Company's constitution and Board Charter relating to Board meetings unless otherwise provided for in this Terms of Reference.</p> <p>7.2 The NRC may establish and review its procedures from time to time to govern its meetings, keeping of minutes and its administration.</p> <p>7.3 In order to form a quorum, a minimum of two (2) members must be present.</p> <p>7.4 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 Chairman of the NRC shall be entitled to a second or casting vote.</p> <p>7.5 Where only two (2) members are competent to vote on the question in issue and there is equality in vote, the resolution shall be deemed not to have passed, whereupon the question in issue shall be tabled at the next meeting of the NRC or referred to the Board by a written circular resolution, whichever is more expedient.</p> <p>7.6 The NRC may request the attendance of other directors, GCEO, employees of the Group or consultants to participate in the NRC meetings to assist in its deliberations. This is provided however, that no Director shall be entitled to vote at such meetings or be counted as part of the quorum for any meeting of the NRC unless he or she is a member of the NRC.</p> <p>7.7 A member of the NRC shall excuse himself/herself from the meeting during discussions or deliberations of any matter</p>

		<p>which gives rise to an actual or perceived conflict of interest situation for him. Where this causes a lack of quorum, the NRC shall appoint another candidate(s) who meets the membership criteria.</p> <p>7.8 The NRC meetings may be held at two (2) or more venues within or outside Malaysia using any technology that enables the NRC members to participate for the entire duration of the meeting, and that all information and documents for the meeting must be made available to all NRC members prior to or at the meeting. The NRC members shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.</p> <p>7.9 The notice of NRC meetings and meeting materials shall be circulated at least seven (7) days before each meeting to members of the NRC. Notice of meetings shall be given in writing and shall be served to the NRC either personally or by email, fax, post, or courier to the address provided by the NRC member.</p> <p>7.10 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.</p>
8.	Written Resolution	<p>8.1 The NRC may deal with matters by way of written resolution. A resolution in writing signed by all members of the NRC, shall be as valid and effectual as if it had been passed by a meeting of the NRC duly called and constituted. The decision shall be presented at the next subsequent Board meeting, for noting and minutes. The written resolution by electronic means allowed under the Constitution of the Company shall apply to the written resolution of the NRC.</p>
9.	Authority and Powers of the NRC	<p>9.1 In carrying out its duties, the NRC shall have the following powers and authority, in accordance with the procedures to be determined by the Board and at the cost of the Company:</p> <ul style="list-style-type: none"> (i) Have the resources which are required to perform its duties; (ii) Have full, free, and unrestricted access to any information, records, properties and personnel of the Company; (iii) The ability to appoint external counsels or other advisers and approve the terms and conditions of the appointment and obtain independent professional or other advice and

		<p>services and to invite external parties with relevant experience to attend NRC meetings (if required) and to brief the NRC thereof if the NRC considers this as necessary; and</p> <p>(iv) Have access to the advice and services of the NRC Secretary.</p>
10.	Review and Evaluation	<p>10.1 The NRC shall perform a regular review and evaluation of its performance to ensure that its respective functions and responsibilities as set out herein are met. The review shall specifically include consideration of the following:</p> <ul style="list-style-type: none"> (i) Frequency and timeliness of the NRC meetings; (ii) Adequacy and quality of information provided to the NRC; (iii) Effectiveness of the NRC in carrying out the duties as set out herein; (iv) Contribution of individual NRC members; and (v) Appropriateness and adequacy of this Terms of Reference. The NRC shall recommend to the Board such changes to this Terms of Reference in such manner as the NRC deems appropriate.