

## KHIND HOLDINGS BERHAD

### TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE ("THE NR COMMITTEE")

#### **A. Composition of NR Committee**

- (1) The NR Committee shall be appointed by the Board of Directors and shall consist of not less than 3 members comprising exclusively non-executive directors, a majority of whom must be independent.
- (2) The members of the NR Committee shall elect a Chairman among themselves.
- (3) A member of the NR Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.
- (4) In the event of any vacancy in the NR Committee resulting in the non-compliance of the above, the Company must fill the vacancy within three (3) months.

#### **B. Duties and Responsibilities of NR Committee**

##### **(1) Nomination**

The NR Committee shall:-

- (i) develop, maintain and review criteria to be used in the recruitment process of new directors;
- (ii) assess and recommend to the Board, the candidature of new directors (whether proposed by the Board or nominated the members of the Company).

In making its recommendations, the Nominating Committee shall take into consideration the following criteria:

- the candidate's character, integrity, competence and time to effectively discharge his/her role as a Director of the Company;
  - whether the candidate is of good repute and possess the necessary experience for the performance of his/her duties;
  - whether the candidate has any conflict of interest with the Company;
  - any other relevant criteria as may be determined by the NR Committee from time to time.
- (iii) develop criteria to assess the independence of Independent Directors;
  - (iv) assess and recommend to the Board, Directors to fill the seats on board committees;

- (v) assess annually the effectiveness and required mix of skills and experience and other qualities, including core competencies of the Board as a whole, the committees of the Board and the contribution of each existing Director and thereafter, recommend its findings to the Board;
- (vi) facilitate board induction for newly appointed Directors and assist the Board in identifying suitable training programmes for Directors;
- (vii) review the Board's succession plans and make appropriate recommendations to the Board;
- (viii) facilitate the achievement of board gender diversity policies and targets;
- (ix) review and recommend to the Board whether directors who are retiring by rotation or directors who have reached the age of seventy should be put forward for re-election or re-appointment; and
- (x) consider other matters as may be directed by the Board from time to time.

**(2) Remuneration**

The NR Committee shall:-

- (i) establish and recommend to the Board, a transparent remuneration structure and policy which attracts and retains executive director and to review changes to the policy, as may be necessary for alignment with the business strategy and long-term objectives of the Company;
- (ii) review and recommend to the Board, the Directors' fees and allowances that are reflective of the contribution and responsibilities undertaken by the Directors;
- (iii) review and recommend to the Board the remuneration packages of Executive Directors and senior management including the terms of employment, service contracts, salaries, benefits-in-kind, fees, bonuses, pension and incentive scheme entitlement, taking into account the market rates so as to link rewards to the Group and individual performance, drawing outside advice as necessary;
- (iv) review and recommend to the Board regarding any proposed new share issuance scheme, share grant scheme and/or amendments to the existing scheme; and
- (v) consider other matters as may be directed by the Board from time to time.

Determination of remuneration packages of Non-Executive Directors shall be determined by the Board of Directors as a whole and the individuals concerned shall abstain from discussing their own remuneration.

The NR Committee, whether as a full Committee or in their individual capacity, be able to obtain independent professional advice at the Company's expense, where necessary, subject to the procedures that may be set out by the Board.

## **C. Procedure of Committee Meetings**

### **(1) Frequency of Meetings**

The NR Committee shall meet at least once in each financial year. Additional meetings may be called as and when required.

### **(2) Venue and Participation**

The NR Committee meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enable the Nomination Committee members as a whole to participate for the entire duration of the meeting, and that all information and documents for the meeting must be made available to all members prior to or at the meeting.

### **(3) Notice**

Except in the case of an emergency, reasonable notice of every meeting shall be given in writing and the notice of each meeting shall be served to the member either personally or by fax or e-mail or by post or by courier to his registered address as appearing in the Register of Directors or to the address provided by the NR Committee member, as the case may be.

### **(4) Quorum**

The quorum shall consist of a two (2) members, one of whom must be an independent director. In the absence of the Chairman of the NR Committee, the members present shall elect one of their numbers to chair the meeting.

### **(5) Attendance**

The NR Committee may extend an invitation to other board members and Management to attend meetings as it deems necessary.

### **(6) Voting**

A resolution put to the vote of the meeting shall be decided on a show of hands. In the case of an equality of votes, the Chairman shall be entitled to a second or casting vote (except where 2 members form the quorum).

**(7) Keeping of Minutes**

Minutes of each meeting signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting shall be evidence of the proceedings to which it relates.

**(8) Custody, production and inspection of such minutes**

Minutes shall be kept by the Company at the Registered Office and shall be open to the inspection of any NR Committee member or Board member.

**D. Circular Resolutions**

A resolution in writing signed or approved via letter, telex, facsimile, email by all Committee members shall be effective for all purposes as a resolution passed at a meeting of the NR Committee duly convened, held and constituted. Any such resolution may be contained in a single document or may consist of several documents all in the like form signed by one or more members.

**E. Secretary**

The Company Secretary of the Company or such substitute as appointed by the Directors or the NR Committee from time to time shall act as the Secretary of the NR Committee.