

KHIND HOLDINGS BERHAD

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE ("THE NRC")

A. Composition of NRC

- (1) The NRC 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 NRC shall elect a Chairman among themselves. The Chairman of the Committee shall be an Independent Non-Executive Director or the Senior Independent Director.
- (3) Where practical, a member of the NRC who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.

B. Duties and Responsibilities of NRC

(1) Nomination

The NR Committee shall:-

- (i) develop, maintain and review criteria to be used in the recruitment process of new directors;
- (ii) identify, consider and recommend suitable persons for appointment as Directors, relying on sources from existing Board members, Management, major shareholders and other external sources.

In making its recommendations, the NRC shall take into consideration the following:

- the candidate's character, integrity, professionalism, competence and time to effectively discharge his/her role as a Director of the Company;
- whether the candidate is of good repute and possesses the necessary experience for the performance of his/her duties;
- the core competencies the candidate can bring to the Board and the required mix of skills needed by the Board;
- whether the candidate has any conflict of interest with the Company;
- boardroom diversity with due regard for diversity in skills, experience, age, cultural background and gender;
- any other relevant criteria as may be determined by the NRC 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 Board committees 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 succession plans for the Board as well as Senior Management to ensure there is an orderly succession of Board and Senior Management members with the appropriate calibre;
- (viii) facilitate the achievement of board gender diversity policies ,targets and discuss measures taken to meet those targets;
- (ix) review and recommend to the Board whether directors who are retiring by rotation should be put forward for re-election; and
- (x) consider other matters as may be directed by the Board from time to time.

(2) Remuneration

The NRC 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) ensure the remuneration packages are determined on the basis of Executive Directors and Senior Management's merit, qualification and competence, having regard to the Company's operating results, individual performance and comparable market statistics;
- (iii) review and recommend to the Board, the Directors' fees, benefits and allowances that are reflective of the contribution and responsibilities undertaken by the Directors;
- (iv) 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;

- (v) ensure that the remuneration for Independent Non-Executive Directors does not conflict with their obligation in bringing objectivity and independent judgement on matters discussed Board meetings.
- (vi) review and recommend to the Board regarding any proposed new share issuance scheme, share grant scheme and/or amendments to the existing scheme; and
- (vii) 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 NRC, whether as a full Committee or in their individual capacity, be able to obtain independent professional advice at the Company's expense, where necessary, in accordance with the procedures set out in the Board Charter.

C. Procedure of Committee Meetings

(1) Frequency of Meetings

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

(2) Venue and Participation

The NRC meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enable the NRC 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 emergency, the notice of the NRC meetings and meeting materials shall be circulated at least five (5) business days before each meeting to members of the NRC. 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/her address as appearing in the Register of Directors or to the address provided by the NRC member, as the case may be.

(4) Quorum

The quorum shall consist of a two (2) members, one of whom must be an Independent Non-Executive Director. In the absence of the Chairman of the NRC, the members present shall elect one of their numbers to chair the meeting. If at any meeting, the Chairman of the NRC is not present within fifteen (15) minutes of the time appointed for holding the same, the members of the NRC present shall choose one of their number to be Chairman of such meeting.

(5) Attendance

The NRC 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 of the NRC shall be kept at the Registered Office and shall be open to the inspection of any NRC member or Board member.

D. Written Resolutions

A resolution in writing signed or approved via letter, telex, facsimile, email or any other electronic means by all NRC members shall be effective for all purposes as a resolution passed at a meeting of the NRC 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 NRC from time to time shall act as the Secretary of the NRC.

F. Reporting

The NRC Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The NRC shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

Activities of the NRC shall be disclosed in the Annual Report of the Company.

The NRC shall review its Terms of Reference periodically and may recommend to the Board any changes it considers necessary.

The Terms of Reference for NRC was last reviewed on 12 March 2018.