

**JAG BERHAD**

[Registration No. 199701023733 (439230-A)]  
(Incorporated in Malaysia)

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

*(Revised as at 19 April 2024)*

**1. OBJECTIVES**

The principal objectives of the NRC are:-

- (a) to assist the Board of Directors in their responsibilities in nominating new candidates to the Board of Directors, lead the succession planning of the Board members and Chief Executive Officer (or any other person assuming the similar roles and responsibilities) ("CEO"), to assess the performance of the Board, the Board Committees and individual Directors of the Company on an on-going basis;
- a) to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration, fee and other benefits of Board and senior management and to ensure that all Directors and senior management are fairly rewarded for their individual contribution to the Company's overall performance and that the remuneration commensurate with the level of executive responsibility and is appropriate in light of the Company's performance.

**2. COMPOSITION**

The Board of Directors shall elect the NRC members from amongst themselves and it must be composed of no fewer than two (2) members consisting wholly of Non-Executive Directors, a majority of whom are independent.

The term of office and performance of the NRC and each of its members shall be reviewed by the Board 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.

No alternate director shall be appointed as a member of the NRC.

*Retirement and Resignation*

In the event of any vacancy with the result that the number of members is reduced to below two (2), the vacancy shall be filled within three (3) months thereof. Therefore, 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.

**3. CHAIRMAN**

The Chairman of the NRC shall be an Independent Director or Senior Independent Director identified by the Board of Directors.

In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the NRC meeting.

The Chairman of the NRC shall:-

- a) lead the succession planning and appointment of Board members, including the future Chairman and CEO; and
- a) lead the annual review of board effectiveness, ensuring that the performance of each individual Director is independently assessed.

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-2-

(Terms of Reference of NRC - cont'd)

**4. SECRETARIES**

The Secretaries of the NRC shall be the Company Secretaries and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

**5. MEETINGS**

The NRC may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

The Secretaries shall on the requisition of the members of the NRC summon a meeting of the NRC and reasonable notice of every NRC meeting shall be given in writing, except in the case of an emergency, where the NRC may waive such requirement.

The NRC 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.

Other Board members and/or employees may attend the NRC meeting upon invitation of the NRC.

Questions arising at any meeting of the NRC shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the NRC shall have a second or casting vote.

**6. QUORUM**

A quorum shall consist of two (2) members.

**7. MINUTES**

Minutes of each meeting shall be kept at the registered office and distributed to each member of the NRC and also to the other members of the Board. The NC Chairman shall report on the proceeding of each meeting to the Board.

The minutes of the NRC meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

The NRC members may inspect the minutes of the NRC at the Registered Office or such other place as may be determined by the NRC.

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-3-

(Terms of Reference of NRC - cont'd)

**8. CIRCULAR RESOLUTION**

A resolution in writing signed by a majority of the NRC members for the time being shall be as valid and effectual as if it had been passed at a meeting of the NRC duly called and constituted.

Any such resolution may consist of several documents in like form each signed by one (1) or more NRC members. Any such document may be accepted as sufficiently signed by a NRC member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of a NRC member.

**9. REPORTING**

The NRC shall report to the Board of Directors, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least once a year, but more frequently if it so wishes.

The NRC shall report to the Board of Directors on any specific matters referred to it by the Board.

The Company Secretaries shall circulate the minutes of the NRC to all members of the Board.

**10. AUTHORITY**

The NRC shall, in accordance with a procedure to be determined by the Board of Directors and at the cost and expense of the Company, where necessary and reasonable for the performance of its duties:-

- (a) be able to use a variety of approaches, sources or independent sources to ensure that it is able to identify the most suitable candidates. This may include sourcing from a directors' registry and open advertisements or the use of independent search firms.
- (b) be able to engage independent expert at the cost of the Company, to carry out evaluation on effectiveness of the board, its committees and individual directors, if deemed necessary.
- (c) be able to obtain independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.
- (d) have full and unrestricted access to the details/information on the remuneration packages of the Executive Directors and senior management.
- (e) be able to draw advice from professional or experts, for the purpose of assessing the remuneration, fee and other benefits of Board and senior management, and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

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-4-

(Terms of Reference of NRC - cont'd)

**11. RESTRICTIONS**

None of the NRC members shall participate in the deliberation, recommendation, decision and voting of his own Directors' fee or other benefits.

**12. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the NRC are as follows:-

- a) To assess and recommend to the Board, the candidate for directorship, Chairman or CEO, based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.
- b) When identifying candidate for directorship, Chairman or CEO, aside from recommendation by the existing Board members, Management or shareholders, the NC shall utilise independent sources or any other sources to identify the suitably qualified candidate.
- c) To assess and examine, on annual basis or as and when require, the size and composition of the Board and Board Committees, with a view to determining the impact of the number upon its effectiveness.
- d) To ensure sufficient diversity and independence in the Board in order to achieve greater depth and breadth in the decision making process.
- e) To review on annual basis, the required mix of skills, experience, gender diversity and other qualities including core competencies which Non-Executive and Executive Directors should have.
- f) To review on annual basis, the meeting attendance of the Directors at the Board and/or Board Committee(s) Meetings and sufficiency of time commitment of the Directors in discharging their roles and responsibilities in the Company.
- g) To review on annual basis, the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and members have carried out their duties in accordance with the terms of reference of the Audit Committee.
- h) To assess on annual basis, the effectiveness of the Board as a whole, the Committees of the Board and the contribution and performance of each individual Director.
- i) To review on annual basis, the length of service each Independent Non-Executive Director and to assess their independence and ability to exercise of their independent judgement or the ability to act in the best interest of the Company.

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-5-

(Terms of Reference of NRC - cont'd)

- j) For Independent Director whose terms have exceeded nine (9) years' tenure, to review his independence and if deem appropriate for continuance in the office, to provide justification to the Board for consideration.
- k) To review on annual basis, the training programmes attended by the Directors and to identify or recommend the training needs for the Directors.
- l) To consider and recommend the re-election of Directors who will beretiring pursuant to the Company's Constitution.
- m) To develop and continually review the succession plan for the Board, Chairman and senior management of the Company.
- n) To administer a fair and transparent policy or procedure for setting remuneration of Directors and senior management, which takes into account the demands, complexities and performance of the Company as well as skills and experience required. The policy or procedure shall be reviewed periodically to ensure relevance to the Group.
- o) To review and assess the remuneration package of the Executive Directors and senior management in all forms, with or without other independent professional advice or other outside advice.
- p) To ensure the level of remuneration is sufficiently attractive and be able to retain and reward the Executive Directors and senior management in order to run businesses of the Group successfully.
- q) To ensure the level of remuneration or fee should reflect the experience and level of responsibilities undertaken by the particular Director.
- r) To recommend to the Board the remuneration package of the Executive Directors and Directors' fee and other benefits for Non-Executive Directors.
- s) When recommending the fee and other benefits for the Independent Directors, the NRC to ensure it does not conflict with the Independent Directors' obligation to bring objectivity and independent judgment on matters discussed at Board meetings.
- t) To consider and examine such other matters as the NRC considers appropriate.
- u) To consider any other matters as defined by the Board.

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