

# Nomination and Remuneration Committee

## TERMS OF REFERENCE

### PURPOSE

The Nomination and Remuneration Committee (“the Committee”) is established primarily to:-

#### A. Nomination

1. Identify and recommend candidates for Board directorship of Public Listed Companies within Johor Corporation Group (“PLC”);
2. Recommend directors to fill the seats on Board Committee;
3. Evaluate the effectiveness of the Board of PLCs and Board Committee (including the size and composition) and contributions of each individual director;
4. Ensure an appropriate framework and plan for Board of PLC succession.

#### B. Remuneration

1. Provide assistance to the Johor Corporation and the Board of PLCs in determining the remuneration of executive directors, senior management and Chief Executive Officer. In fulfilling these responsibilities, the Committee is to ensure that executive directors and applicable senior management of Johor Corporation and PLCs:
  - Are fairly rewarded for their individual contribution to overall performance;
  - That the compensation is reasonable in light of the Company’s objectives; and
  - That the compensation is similar to other companies.
2. Establish the Managing Director/Chief Executive Officer’s goals and objectives; and
3. Review the Managing Director/Chief Executive Officer’s performance against the goals and objectives set.

## MEMBERSHIP

The Committee shall consist of at least the representative of Johor Corporation and PLCs as follows:-

1. YBhgTan Sri Dato’ Muhammad Ali bin Hashim (Chairman)  
Chief Executive, Johor Corporation
2. YBhgTan Sri Datuk Arshad Ayub  
Independent Representative
3. Kamaruzzaman bin Abu Kassim  
Chief Operating Officer, Johor Corporation

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### MEMBERSHIP (CONT'D)

The Committee shall consist of at least the representative of Johor Corporation and PLCs as follows:- (cont'd)

4. YB Datin Paduka Siti Sa'diah Sheikh Bakir  
Managing Director, KPJ Healthcare Berhad
5. Ahamad bin Mohamad  
Managing Director, Kulim (Malaysia) Berhad
6. AFM Shafiqul Hafiz  
Managing Director, Johor Land Berhad
7. Rozan bin Mohd Sa'at  
Managing Director, Sindora Berhad
8. Jamaludin bin Md Ali  
Managing Director, QSR Brands Bhd and KFC Holdings (Malaysia) Bhd

The appointment of a Committee member terminates when the member ceases to be a director of PLCs, or as determined by the Board of Johor Corporation.

The Committee shall have no executive powers.

In the event of equality of votes, the Chairperson of the Committee shall have a casting vote. In the absence of the Chairperson of the Committee, the members present shall elect one of their numbers to chair the meeting.

### MEETINGS

The Committee shall meet at least once a year. Additional meetings shall be scheduled as considered necessary by the Committee or Chairperson. The Committee may establish procedures from time to time to govern its meeting, keeping of minutes and its administration.

The Committee shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Johor Corporation. The Committee may request other directors, members of management, counsels and consultants as applicable to participate in Committee meetings, as necessary, to carry out the Committee's responsibilities. Non-Committee directors and members of management in attendance may be required by the Chairperson to leave the meeting of the Committee when so requested.

The Secretary of the Committee shall be appointed by the Committee from time to time. Committee meeting agendas shall be the responsibility of the Committee Chairperson with input from the Committee members. The Chairperson may also request management to participate in this process. The agenda of each meeting including supporting information shall be circulated at least seven days before each meeting to the Committee members and all those who are required to attend the meeting.

The Committee shall cause the minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meeting of the Committee. Such minutes shall be signed by the Chairperson of the meeting at which the proceedings were held or by the Chairperson of the next succeeding meeting, and if so signed, shall be the conclusive evidence without any further proof of the facts thereon stated.

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The Committee, through its Chairperson, shall report to the Board of PLCs at the next Board of Directors' meeting after each Committee meeting. When presenting any recommendation to the Board of PLCs, the Committee shall provide such background and supporting information as may be necessary for the Board to make an informed decision. The Committee shall provide such information to the Board as necessary to assist the Board of PLCs in making a disclosure in the Annual Report of PLCs and Johor Corporation in accordance with the Best Practices of the Malaysian Code on Corporate Governance Part 2 AAIX.

The Chairperson of the Committee shall be available to answer questions about the Committee's work at the Annual General Meeting of the PLCs.

### SCOPE OF ACTIVITIES

The duties of the Nomination Committee shall include the following:

#### A. Nomination

1. To determine the criteria for Board membership, including qualities, experience, skills, education and other factors that will best qualify a nominee to serve on the Board of respective PLCs;
2. To review annually and recommend to the Board with regards to the structure, size, balance and composition of the Board of PLCs and Committees including the required mix of skills and experience, core competencies which non-executive directors should bring to the Board and other qualities to function effectively and efficiently;
3. To consider, evaluate and propose to the Board any new board appointments, whether of executive or non-executive position. In making a recommendation to the Board of PLCs on the candidate for directorship, the Committee shall have regard to:
  - Size, composition, mix of skills, experience, competencies and other qualities of the existing Board of PLCs, level of commitment, resources and time that the recommended candidate can contribute to the existing Board; and
  - Best Practices of the Malaysian Code on Corporate Governance Part 2 AAIII which stipulate that non-executive directors should be persons of calibre, credibility and have the necessary skill and experience to bring an independent judgement to bear on issues considered by the Board and that independent non-executive directors should make up at least one-third of the membership of the Board of PLCs.
4. To propose to the Board of the PLCs the responsibilities of non-executive directors, including membership and Chairpersonship of Board Committees.
5. To evaluate and recommend the appointment of senior executive positions, including that of the Managing Director or Chief Executive and their duties and the continuation (or not) of their service.
6. To establish and implement processes for assessing the effectiveness of the Board of PLCs as a whole, the Committees of the Board and for assessing the contribution of each director.

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7. To evaluate on an annual basis:
  - The effectiveness of each director's ability to contribute to the effectiveness of the Board and the relevant Board Committees and to provide the necessary feedback to the directors in respect of their performance;
  - The effectiveness of the Committees of the Board; and
  - The effectiveness of the Board of PLCs as a whole.
8. To recommend to the Board:
  - Whether directors who are retiring by rotation should be put forward for re-election; and
  - Termination of membership of individual director in accordance with policy, for cause of other appropriate reasons.
9. To establish appropriate plans for succession at Board level, and if appropriate, at senior management level.
10. To provide for adequate training and orientation of new directors with respect to the business, structure and management of the Group as well as the expectations of the Board with regard to their contribution to the Board and Company.
11. To consider other matters as referred to the Committee by the Board.

### **B. Remuneration**

1. To establish and recommend the remuneration structure and policy for directors and key executives, if applicable, and to review for changes to the policy as necessary.
2. To ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration setting forming a significant proportion of the total remuneration package of executive directors.
3. To review and recommend the entire individual remuneration packages for each of the executive director and, as appropriate, other senior executives, including: the terms of employment or contract of employment/service; any benefit, pension or incentive scheme entitlement; any other bonuses, fees and expenses; and any compensation payable on the termination of the service contract.
4. To review with the Managing Director/Chief Executive Officer, his/her goals and objectives and to assess his/her performance against these objectives as well as contribution to the corporate strategy.
5. To review the performance standards for key executives to be used in implementing the Group's compensation programmes where appropriate.
6. To consider and approve compensation commitments/severance payments for executive directors and key executives, where appropriate, in the event of early termination of the employment/service contract.
7. To consider other matters as referred to the Committee by the Board.