



**RGB International Bhd.**  
Registration No. 200301001411 (603831-K)  
(Incorporated in Malaysia)

## **NOMINATION & REMUNERATION COMMITTEE**

### **TERMS OF REFERENCE**

(Last Revision Date: 27 February 2023)

<b>No.</b>	<b>Contents</b>	<b>Page</b>
A.	Terms of Reference <ul style="list-style-type: none"><li>• Committee</li><li>• Membership</li><li>• Chairman</li><li>• Secretary</li></ul>	2
B.	Meetings <ul style="list-style-type: none"><li>• Attendance</li><li>• Frequency of meetings</li><li>• Quorum</li><li>• Minutes of meeting</li><li>• Advisors</li></ul>	2
C.	Functions and Responsibility <ul style="list-style-type: none"><li>• Nomination matters</li><li>• Remuneration matters</li></ul>	3

## **A. TERMS OF REFERENCE**

1. **Committee**  
The Nomination Committee and Remuneration Committee were merged by the Board of Directors (“the Board”) of the Company into a single committee and renamed the Nomination & Remuneration Committee (“the Committee”) with effect from 15 November 2019. The rationale for the merger is to enhance the efficiency of the Committee in discharging its duties and responsibilities.
2. **Membership**  
The members of the Committee shall comprise exclusively of Non-Executive Directors and minimum 3 members in total, a majority of whom being independent. In the event of any vacancy in the Committee, the Board must fill the vacancy within 3 months and appoint such number of new members as may be required to make up the minimum of 3 members.
3. **Chairman**  
The Chairman of the Committee shall be an Independent Non-Executive Director or the Senior Independent Non-Executive Director appointed by the Board.
4. **Secretary**  
The Secretary of the Committee shall be the Company Secretary or any other persons appointed by the Committee from time to time.

## **B. MEETINGS**

1. **Attendance**  
The Executive Directors or any other person(s) may be invited by the Committee to attend its meetings as may be deemed necessary to assist in its deliberations.
2. **Frequency of meetings**  
The Committee shall meet at least once a year. Additional meetings may be held as and when necessary.
3. **Quorum**  
The quorum of the Committee shall be at least 2 members.
4. **Minutes of meeting**  
The minutes of the Committee shall be circulated to all members of the Board.
5. **Advisors**  
The Committee is authorised by the Board to appoint professional advisors and to seek appropriate professional advice inside and outside of the Group as and when it considers this necessary.

## **C. FUNCTIONS AND RESPONSIBILITY**

### **I. Nomination matters**

1. To recommend to the Board, candidates for all directorships of the Company and its subsidiaries by taking into consideration, inter alia, the following criteria:
  - character and integrity;
  - experience and competence;
  - time and commitment;
  - boardroom diversity (including gender diversity); and
  - in the case of candidates for the position of Independent Non-Executive Directors, the Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
2. To ensure the composition of the Board is refreshed periodically and the annual re-election of a Director is contingent on satisfactory evaluation of the Director's performance and contribution to the Board.
3. To annually assess the effectiveness of the Board as a whole, the Board Committees and the contribution and tenure of each Director, including the Independent Non-Executive Directors, the Managing Director, the Chief Operating Officer and the personnel primarily responsible for the management of the financial affairs of the Group. All assessment and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.
4. To recommend to the Board, candidates to fill the seats on Board Committees.
5. To assist the Board in an annual review of the required mix of skills, experience and other qualities, including core competencies, which the Non-Executive Directors should bring to the Board.
6. To review the size of the Board with an aim to ensure a fair representation of the shareholders on the Board and determining the impact of the number on its effectiveness.
7. To review the balance of Executive and Non-Executive Directors (including Independent Directors) with an aim to achieve a balance of views on the Board.
8. To ensure a formal and transparent procedure for the appointment of new Directors to the Board of the Company and its subsidiaries.
9. To recommend individuals for nomination as members of the Board by assessing the desirability of renewing existing directorships and utilising independent sources to identify suitably qualified candidates and does not solely relying on sources from existing Board members, management or major shareholders.
10. To facilitate the annual board effectiveness assessment, through the Board and Directors' self-evaluation forms.

11. To report periodically to the Board on succession planning for the Board members.
12. To assess the skill gaps of the Directors and recommend appropriate training and development (including but not limited to topics related to anti-corruption) for the Directors.

**II. Remuneration matters**

1. To review and recommend to the Board, the policy framework and remuneration structure for Executive and Non-Executive Directors as well as senior management.
2. To review and present recommendations to the Board regarding the remuneration and conditions of service of the Executive Directors and senior management, in all its form including the grant of entitlement under any share schemes.
3. To review indemnity and liability insurance policies for the Directors and Officers of the Group.