



**TALAM TRANSFORM BERHAD (192001000012)(1120-H)**

## **TERMS OF REFERENCE OF THE NOMINATION REMUNERATION COMMITTEE**

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### **Constitution**

The merged Nomination and Remuneration Committee (“the Committee” or “NRC”) was established on 28 November 2024.

The NRC Terms of Reference (“TOR”) sets out the requirements of the Board of Directors of Talam Transform Berhad (“the Company” or “TTB”) towards the establishment of a NRC and the delegation of responsibilities to the Committee.

### **Membership**

Members and Chairman of the Committee shall be appointed by the Board of Directors (“Board”) and shall comprise of not less than three (3) members.

All the members of the Committee shall comprise exclusively of non-executive directors and shall consist of not less than three members, majority of whom shall be independent directors.

The Chairman of the Committee shall be an Independent or Senior Independent and Non-Executive Director appointed by the Board.

Members of the Committee may relinquish their membership in the Committee with prior written notice to the Company Secretary. The Committee will review and recommend to the Board for approval, another candidate to fill up such vacancy.

No Alternate Director shall be appointed as a member of the Committee.

### **Objectives**

The general objectives of the Committee are as follows:

### **Nomination**

- (i) review the composition of the Board, Board Committees, all directors and key management of the Company and its subsidiaries (“the Group”) to ensure it is optimal. For the purpose of this TOR, key management means executive director and group chief executive officer.
- (ii) establish nomination and election process as well as appointment and re-appointment/re-election process of the directors/group chief executive officer in the Company.
- (iii) assess directors/group chief executive officer on an ongoing basis.
- (iv) evaluate the effectiveness of the Board as a whole, the Board Committees and contributions of the individual directors and key management of the Company.
- (v) facilitate and review the Board induction and training programmes including succession planning.

## **Remuneration**

- (i) review the reward framework for the directors and key management of the Company.
- (ii) determine a remuneration policy which attracts, retains, motivates high caliber directors/group chief executive officer of the Company.
- (iii) review and recommend the remuneration packages of the executive directors, non-executive directors and group chief executive officer of the Company which appropriately compensate the contribution of the directors and group chief executive officer to the Company and individual subsidiaries.

## **Functions and Duties**

The functions and duties of the Committee in relation to nomination matters are as follows:

- (i) recommend to the Board for its approval, candidates for the Board, Board Committees including Chairman, key management and all directorships within the Group. In making its recommendations, the Committee shall consider the candidates' skills, knowledge, expertise and experience, professionalism, integrity, commitment (including time commitment) and diversity, including gender, ethnic, age and race, where appropriate, which the director/group chief executive officer should bring to the Board. 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 the independent non-executive directors. In the case of the position of non-executive directors, the candidate should be persons of caliber, credible and have the necessary skills and experience to bring independent judgment on issues of strategy, performance and resources including key appointments and standards of conduct.

The criteria and assessment for the appointment and re-appointment/re-election of directors/group chief executive officer shall be made in accordance to the Directors' Fit and Proper Policy.

- (ii) annual review of the structure, size and composition of the Board in respect of the required mix of skills, experience, knowledge and other qualities, including core competencies which the directors should bring to the Board, to optimize performance and strategy.
- (iii) annual evaluation of the effectiveness of the Board as a whole, the committees of the Board, and the contribution of each individual director, including independent non-executive directors and group chief executive officer as well as their training needs. The Board also assesses the independence of the Independent Directors on an annual basis.
- (iv) review and oversee a succession planning framework for the Company.
- (v) the Committee can seek professional advice from independent directors' recruitment agencies as and when it considers necessary in identifying suitable candidates besides candidates recommended by the existing Board members, management or major shareholders.
- (vi) the actual decision as to who should be nominated should be the responsibility of the full Board after considering the recommendation by the Committee.
- (vii) draw up, review and recommend changes to the Directors' Fit and Proper Policy.

- (viii) consider other nomination matters prescribed to the NRC by the Board.

The functions and duties of the Committee in relation to remuneration matters are as follows:

- (i) recommend to the Board, the remuneration policy and reward framework for executive directors/group chief executive officer and perform annual review of the executive directors/group chief executive officers' remuneration package.
- (ii) recommend to the Board, changes in remuneration, if required, or in the event the present remuneration package and remuneration policy are deemed inappropriate.
- (iii) the remuneration package of the non-executive directors are to be determined by the Board on the recommendation of the Committee by taking into account the contribution, time commitment, level of responsibilities undertaken by the particular non-executive director and trends for similar positions in the market.
- (iv) review and approve annual salaries, incentive arrangements, service agreements and other employment conditions for the executive directors/group chief executive officer with consideration of the performance of the executive directors/group chief executive officer. This can be performed by linking the executive director/group chief executive officer's remuneration to corporate and individual performance, such as, performance of the Company, growth of the Company vis-à-vis the growth of the industry, contribution of the executive directors/group chief executive officer to the Group via achievement of goals (including organizational targets, key performance index and/or personal achievement)
- (v) perform annual review of the competitiveness of the Group's remuneration package in order to attract, develop and retain directors of high caliber and to keep itself fully informed of the market norms and industry practices on the remuneration package.
- (vi) consider other remuneration matters prescribed to the NRC by the Board.

### **Powers and Authority**

In carrying out its duties and responsibilities, the Board authorises the Committee, within the scope of its duties and responsibilities set out in the TOR to:

- (i) acquire the resources which are required to perform the activities required to discharge its responsibilities and make the relevant recommendations to the Board;
- (ii) have full and unrestricted access to information, records, properties and personnel within the Group;
- (iii) obtain relevant internal and external independent professionals to assist in the proper discharge of its roles and responsibilities, advice, as it deems necessary; and
- (iv) have access to the advice and services of senior management personnel and the Company Secretary.

### **Meeting Guidelines and Quorum**

- (i) The quorum shall be a minimum of two (2) members present at the meeting, both of whom must be independent directors or 50% of the total members, whichever is higher. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst then members present.

- (ii) The Committee shall meet at least two (2) times in a year. Additional meetings shall be held as and when the Committee or the Chairman of the Committee shall decide. The Committee meetings shall be governed by the provisions of the Company's Constitution relating to Board meetings unless otherwise provided for in the TOR. The Committee may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.
- (iii) The Committee may request other directors, members of Board committees/management, counsel and consultants when applicable and necessary to participate in the meetings, to assist in carrying out the Committee's responsibilities.
- (iv) A member of the Committee shall excuse himself/herself from the meeting during discussion or deliberations of any matter which give rise to an actual or perceived conflict of interest situation for him/her. Where this causes a lack of quorum, the Committee shall appoint another candidate(s) who meets the membership criteria.
- (v) A member of the Committee may participate in a meeting by means of telephone conference or video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- (vi) Unless a meeting is called on a short notice basis, the notice and agenda for each Committee meeting shall be sent to all members of the Committee and any other persons who may be required to attend the meeting at least five (5) days prior to the meeting.
- (vii) The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities as well as on any matter that should be brought to the Board's attention and provide recommendations of the Committee that require the Board's approval at the Board meeting.
- (viii) The Committee shall regulate the manner of proceedings of its meetings, having regard to normal conventions on such matters. A resolution in writing, signed by all the members of the Committee, shall be effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more committee members and may be accepted as sufficiently signed by a NRC member if transmitted to the Company by email, facsimile or other electronic means or digital written message/application to include a signature of a NRC member.

#### **Secretary of the Committee**

- (i) The Company Secretary or any other person appointed by the Committee shall be the Secretary of the NRC.
- (ii) The Secretary shall:
  - (1) ensure all appointment to the NRC are properly made.
  - (2) ensure that the NRC received information and papers in a timely manner to enable full and proper consideration to be given to issues to be addressed.
  - (3) prepare the minutes of the NRC meetings and record the conclusions of the NRC in discharging its duties and responsibilities.

- (4) circulate the minutes of the NRC meetings and promptly to all members of the NRC and make the same available to Board members who are not members of the NRC.
- (5) ensure that the minutes of the NRC meetings are properly kept and produced for inspection if required.

#### **Disclosure on the Committee's Activities**

The Company must provide in its Annual Report a statement about the activities of the Committee in the discharge of its duties for the financial year. The statement must include the requirements as set out in the Main Market Listing Requirements and contain the following information:

- (i) the policy on the Board composition having regard to the mix of skills, independence and diversity (including gender diversity).
- (ii) The Board nomination and election process of Directors and criteria used in the selection process.
- (iii) Assessment undertaken by the Committee in respect of the Board, Board Committees and individual directors together with the criteria for such assessment.

#### **Review of the TOR**

- (i) The TOR shall be reviewed periodically and any revision or amendment to the TOR, as proposed by the Committee or any third party, shall first be presented to the Board for its approval.
- (ii) Upon the Board's approval, the said revision or amendment shall form part of this TOR and this TOR shall be considered duly revised or amended.
- (iii) The TOR of the NRC is made available on the Company's website at [www.ttransform.com.my](http://www.ttransform.com.my).