



WASIYYAH SHOPPE BERHAD

TERMS OF REFERENCE NOMINATION AND REMUNERATION COMMITTEE

6 November 2019

1. CONSTITUTION

The NRC shall be formed by the Board of Directors of the Company ("Board") and the Committee members shall be appointed by the Board from amongst the Board members.

The functions and authority of the NRC extend to the Company and all its subsidiaries as well as joint-ventures and associate companies where management responsibility is vested on the Company.

2. OBJECTIVES

The objectives for the formation of the NRC are as follows:

- I.To review the Board composition and recommend to the Board the appointment of new Directors of the Company and Board Committees.
- II.To evaluate the effectiveness of the Board, Board Committees and contributions of each individual Director.
- III.To review the CEO's, Executive Director's and Chief Level Officers' objectives and goals and the assessment of performance of these persons against those benchmarks.
- IV.To review the performance evaluation of Chief Level Officers namely the Chief Operating Officer, Chief Corporate Services and Chief Financial Officer ("Chief Level Officers").
- V.To determine the level and composition of the remuneration for the CEO and Executive Directors (if any) so as to ensure that the Company attracts and retains the CEO and Chief Level Officers of the appropriate caliber, experience and quality needed to run the Company successfully. The level and composition of the remuneration should be structured so as to link rewards with corporate and individual performance.
- VI.To develop policies, practices and recommend proposals appropriate to facilitate the recruitment and retention of the CEO, Executive Directors and Chief Level Officers.
- VII.In carrying out the duties, members of the Committee shall have no interest direct or indirect with the outcome of the decision and having due regard to the interest of Shareholders and to the continuing financial and commercial health of the Company.

3. AUTHORITY

The NRC has the authority to carry out the functions as stated in its Terms of Reference and report to the Board with recommendations.

The NRC wherever necessary and reasonable for the performance of its duties, shall in accordance with the same procedures as adopted by the Board and at the cost of the Company:

- I. Have the resources which are required to perform its duties;
- II. Have full and unrestricted access to any employee and information pertaining to the Company; and
- III. Be able to engage independent professional advisers or other advisers and to secure attendance of outsiders with relevant experience and expertise if it considers this necessary.

4. MEMBERSHIP

The members of the NRC shall be appointed by the Board and shall consist of not less than three (3) members. If the membership for any reason fall below three members, the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to fulfil the minimum requirement.

The appointment of NRC member terminates when the member ceases to be a director, or as determined by the Board.

In the event of equality of votes, the Chairman shall have a casting vote.

5. FUNCTIONS & DUTIES

For Nominations, the NRC shall:

- I. Consider and recommend to the Board suitable candidates for appointment as Directors, CEO and Chief Level Officers (if any) in the Company and consider the following aspects when considering new appointments on the Board:
- II. The candidates' skills, knowledge, expertise, experience, professionalism and integrity; and

- III. In the case of candidates for the position of Independent Non-Executive Directors, the ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
- IV. Consider candidates for directorships proposed by the CEO and, within the bounds of practicability, by any other senior executive or any Director or shareholder.
- V. Propose to the Board the membership and Chairmanship of Board Committees.
- VI. Review annually the Board structure, size, balance and composition to ensure that the Board comprises a majority of Non-Executive Directors.
- VII. Review annually the performance of the Board members, its committees and subsidiaries as well as the appropriate mix of skills and experience and other qualities of the Board members as well as the CEO, including the core competencies which Non-executive Directors shall bring to the Board and other qualities to function effectively and efficiently.
- VIII. Assess annually 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, as well as the CEO and Chief Level Officers (if any) and the Committee shall ensure that all assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented.
- IX. Consider and recommend a policy regarding the period of service of the Executive and Non-Executive Directors of the Company and its subsidiaries.
- X. Consider and recommend any other measure to upgrade the effectiveness of the Board, the committees and the boards of subsidiaries.
- XI. Consider and recommend solutions on issues of conflicts of interest affecting the Directors.
- XII. Recommend the appointment of nominees of the Company to the boards of the subsidiaries. The Chairman is given the mandate to finalize and recommend nominee directors of the Company to the respective board of the subsidiaries.
- XIII. Review and recommend to the Board the succession plan of the Chairman.
- XIV. Provide for adequate training and orientation for new directors with respect to the business, structure and management of the Company as well as the

expectations of the Board with regards to their contribution to the Board and Company.

- XV. Recommend that all Board appointees undergo the necessary training program prescribed by the applicable statutory and regulatory bodies in order to broaden their perspectives and keep abreast with developments in the market place and with changes in new statutory and regulatory requirements.
- XVI. Recommend Directors who are retiring (by rotation) for re-election at the Company's Annual General Meeting(s).
- XVII. Deliberate and recommend any termination of membership of any Director of the Company (if necessary) due to appropriate reasons in accordance with the relevant laws and regulations.
- XVIII. Perform such other assignments as may be delegated by the Board.

For Remuneration, the NRC shall:

- I. Recommend to the Board performance contracts and key performance indicators ("KPI") for the directors, the CEO and the Chief Level Officers.
- II. Recommend general remuneration policy, framework and structure of the Company, the directors, the CEO and the Chief Level Officers as well as to review any changes to the same as and when necessary. The Committee may obtain independent professional advice and any other information necessary in determining the framework. This would include establishing a formal and transparent procedure in developing a policy on the remuneration and benefits of the directors, the CEO and the Chief Level Officers.
- III. Implement a formal appraisal process for the evaluation of the effectiveness of the Board as a whole, the committees and the individual contribution of each director.
- IV. Review the performance of the directors, the CEO and the Chief Level Officers, and to provide recommendations to the Board on their remuneration.
- V. Recommendation of remuneration for the directors, the CEO and the Chief Level Officers shall be based on the following considerations:

- VI. Levels of remuneration structure sufficient to attract and retain the individuals needed to run the Company successfully at the Board as well as the CEO and the Chief Level Officers;
- VII. Link rewards to both the Company and individual performances, responsibility and expertise;
- VIII. Align the interests of the Directors, the CEO, the Chief Level Officers and the stakeholders with the business strategy and long-term objectives of the Company; and
- IX. Remuneration to be based on information obtained from independent remuneration sources within similar industry or market comparability.
- X. Recommend to the Board on the Company's framework of remuneration and its cost and to determine on behalf of the Board, specific remuneration packages and conditions of employment (including pension rights) for the directors, the CEO and the Chief Level Officers.
- XI. Recommend to the Board compensation commitments / severance payments for the directors, the CEO and the Chief Level Officers in the event of termination of the employment / service contracts by the Company.
- XII. Recommend to the Board, bonus payment for the directors, the CEO and the Chief Level Officers which should be made based on their respective performance relative to the KPI Set.
- XIII. Consider other matters as may be referred to the Committee by the Board.
- XIV. Recommend to the Board of Directors for endorsement, the proposed appointment of Directors at the Company's active and operating subsidiaries, associate companies and investee companies together with their remuneration packages except in the case where the proposed appointed Directors are employees.
- XV. Endorse the proposed appointment of Directors at the Company's active and operating wholly owned subsidiaries in cases where the proposed appointed Directors are employees of the Company and for the Board of Directors to thereafter be informed of the proposed appointment.
- XVI. To carry out such other assignments as may be delegated by the Board.

VIII. MEETINGS

- I. Meetings of the NRC shall be held **at least once in a financial year** of the Company. The CEO shall always be invited to attend meetings of the NRC save for meeting(s) convened to deliberate matters pertaining to the CEO.
- II. Upon the request of any member of the NRC, the Chairman of the NRC shall convene a special meeting of the NRC to consider any matter brought up by a Member.
- III. The quorum for a meeting of the NRC shall be **two (2) members**. In the absence of the Chairman, the members present shall elect a chairman for the meeting from amongst the members present.
- IV. The meetings of the NRC shall be governed by the provisions contained in the Memorandum and Articles of Association of the Company for regulating the meetings and proceedings of the directors unless otherwise provided for in this Terms of Reference.
- V. The Committee may request other directors, members of Management, counsels and consultants as applicable to participate in Committee meetings, as and when necessary.
- VI. A committee member shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to a situation of an actual or perceived conflict of interest for the member. Where this cause insufficient directors to make up a quorum, the NRC has the right to appoint another Director, which meets the membership criteria.
- VII. The Secretary of the NRC shall be the Company Secretary of the Company or any other person as the Committee may decide.
- VIII. The NRC meeting agendas shall be the responsibility of the NRC Chairman with inputs from the NRC Committee members. The Chairman may also ask Management and others to participate in this process.
- IX. Unless a meeting is called on a short notice basis, the agenda for each meeting shall be circulated at least five (5) full working days before each meeting to the NRC members and all those who are required to attend the meeting. Written materials including information requested by the NRC from Management shall be received together with the agenda for the meetings.

- X. Minutes of the NRC meetings shall be tabled at the meetings of the Board. When presenting any recommendation to the Board, the NRC will provide such background and supporting information as may be necessary for the Board to make an informed decision.
- XI. The NRC shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the NRC. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes of the BNRC meeting shall be available to all Board members.
- XII. The NRC, through its Chairman, shall report matters to the Board highlighted to the NRC after each meeting.

IX. DISSOLUTION

The composition of NRC shall be dissolved upon recommendation and decision of the Board.