

**SCICOM (MSC) BERHAD (597426-H)**  
(Incorporated in Malaysia)

**TERMS OF REFERENCE OF THE NOMINATING AND REMUNERATION COMMITTEE**

**1. CONSTITUTION**

The Board of Directors has established a Committee of the Board to be known as the Nominating and Remuneration Committee (“N & R Committee”).

**2. OBJECTIVE**

The primary objective of the N & R Committee is to recommend to the Board the nomination and remuneration of Executive Directors, Non-Executive Directors and Chief Executive Officer.

However, the determination of the remuneration of Non-Executive Directors, including the Non-Executive Chairman will rest as a matter for the Board as a whole. The individuals, whether Executive Directors or Non-Executive Directors, should play no part in decisions and/or approval of their own remuneration.

**3. COMPOSITION OF THE N & R COMMITTEE**

- ❑ The members of the N & R Committee shall be appointed by the Board of Directors from amongst their members. The N & R Committee shall consist of at least two (2) members and exclusively of Non-Executive Directors, the majority of whom shall be Independent Directors.
- ❑ The members of the N & R Committee shall elect a Chairman from amongst its members.
- ❑ In the event of any vacancy in the N & R Committee resulting in the non-compliance of the above, the Company must fill the vacancy within two (2) months, but in any case not later than three (3) months.
- ❑ The Board must review the term of office and performance of the N & R Committee and each of its members at least once every 3 years to determine whether such N & R Committee and members have carried out their duties in accordance with their terms of reference.

**4. MEETINGS**

**(a) Frequency of Meeting**

- ❑ The N & R Committee shall meet at least once a year and as many times as the N & R Committee deems necessary with due notice of issues to be discussed.

(b) **Proceedings of Meeting**

- The quorum for meeting of the N & R Committee shall be two (2) members and the majority of members present must be Independent Directors.
- If at any meeting, the Chairman of the N & R Committee is not present within fifteen (15) minutes of the time appointed for holding the same, the members of the N & R Committee present shall choose one of their number to be Chairman of such meeting.
- Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman of the N & R Committee shall have a second or casting vote.

(c) **Attendance at Meeting**

- Other members of the Board and officers of the Company and its group may attend the meeting (specific to the relevant meeting) upon the invitation of the N & R Committee.

**5. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the N & R Committee shall include the following:-

- (a) To identify and recommend to the Board, candidates for directorship of the Company, taking into consideration the candidates’:-
  - skills, knowledge, expertise and experience;
  - professionalism;
  - integrity; and
  - in the case of candidates for the position of Independent Non-Executive Directors, the N & R Committee should also evaluate the candidates’ ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors;
- (b) To recommend to the Board, Directors to fill the seats on Board Committees;
- (c) To review annually of the required mix of skills and experiences and other qualities including core competencies which Non-Executive Directors should bring to the Board and recommend its findings to the Board;
- (d) To assess annually the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director and thereafter, recommend its findings to the Board;
- (e) To recommend to the Board, the remuneration of the Executive Directors in all its forms, drawing from outside advice as necessary;
- (f) To review and advise the Board on the terms of appointment and remuneration of the Chief Executive Officer;
- (g) To review the annual salary increments and bonuses for the Executive Directors;

- (h) To oversee any major changes in employee remuneration and benefit structures throughout the Company and the Group;
- (i) To seek external advice, where necessary to recommend the remuneration package for the Directors; and
- (j) To carry out any other function that may be mutually agreed upon by the N & R Committee and the Board which would be beneficial to the Company and ensure the effective discharge of the N & R Committee's duties and responsibilities.

**6. RETIREMENT AND RESIGNATION OF MEMBER OF THE N & R COMMITTEE**

- A member of the N & R Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.