

NICHE CAPITAL EMAS HOLDINGS BERHAD (527272V)

TERMS OF REFERENCE: NOMINATING & REMUNERATION COMMITTEE

The Nominating & Remuneration Committee is governed by the Terms of Reference as stipulated below.

1. Objectives

The primary functions of the Nominating & Remuneration Committee (“NRC”) are to assist the Board in fulfilling the following oversight objectives on the Group’s activities:

- (a) Recommend to the Board for approval of the following appointments:
 - (i) Members of the Board
 - (ii) Members of the Board Committees
 - (iii) Senior Independent Non-Executive Director
 - (iv) Chief Executive Officer (“CEO”) (not a Board member)
 - (v) Chief Financial Officer (“CFO”) (not a Board member)
- (b) Ensure the appropriate Board balance and size, and that the Board has a required mix of skills, experience and other core competencies. Based on the process and procedures laid out by the Board, the NRC shall annually carry out and ensure proper documentation of all assessments and evaluations on the effectiveness of the Board, the Board Committees and the contribution of each individual Director;
- (c) Review and approve the appointment of the Group’s key management personnel as may be determined by the NRC from time to time;
- (d) Review and recommend to the Board on the remuneration of the executive Board members of the Company and the Group in all its forms such that the component parts of remuneration are structured to link rewards to corporate and individual performance;
- (e) Review and recommend to the Board the remuneration packages for the Non-Executive Directors, Board Committees members, CEO and CFO;

2. Composition of NRC

The NRC shall be appointed by the Board from among its members and shall consist of not less than three (3) members, all of whom shall be Non-Executive Directors with majority being Independent Directors of the Company.

The appointment of a Committee member shall automatically be terminated if the member ceases for any cause to be a director, or as determined by the Board.

The NRC shall elect a Chairman from among its members who is an Independent Director. The Chairman of the NRC is not the Chairman of the Board.

In the event that a member of the NRC resigns, passes away or for any reason ceases to be a member resulting in the non-compliance with the Main Market Listing Requirements (“Listing Requirements”) of the Bursa Securities pertaining to composition of NRC and the election of an independent Chairman of the NRC, the Board shall, within three (3) months of that event, appoint such number of new members as may be required to fill the vacancy.

The Nominating Committee and the Board shall review the terms of reference and performance of the NRC and each of its members annually determine whether the NRC and members have carried out their duties in accordance with the terms of references.

All members of the NRC, including the Chairman, will hold office only so long as they serve as Directors of the Company and have not been removed from the NRC by the Board.

3. Secretary to NRC

The Company Secretary shall be the secretary of the NRC or in her absence, another person authorised by the Chairman of the NRC. The Secretary of the NRC shall be responsible for drawing up the agenda in consultation with the Chairman of the NRC.

4. Meetings

The NRC shall meet at least one(1) time a year or more frequently as circumstances dictate. In addition to the regular scheduled meeting, the Chairman shall call a meeting of the NRC if so requested by any member of the NRC or by the Chairman of the Board.

In addition, the Chairman shall convene a meeting of the NRC if requested to do so by the management to consider any matters within the scope and responsibilities of the NRC.

The Chairman of the NRC will highlight any major issues and any items requiring resolution by the Board.

The Chairman of the NRC should engage on a continuous basis with senior management, such as the Chairman of the Board, executive Board members, CEO, CFO in order to be kept informed of matters affecting the Group in a timely manner.

5. Reporting Procedures

The agenda together with relevant explanatory papers and documents shall be circulated to the NRC members at least seven (7) days prior to each meeting. The Company Secretary shall be responsible for keeping the minutes of the meeting of the NRC, circulating them to all members of the Board.

6. Meeting Procedures

The NRC shall regulate its own procedures, in particular:

- (a) the calling of meetings;
- (b) the notice to be given to such meetings;
- (c) the voting and proceedings of such meetings;
- (d) the keeping of minutes; and

- (e) the custody, production and inspection of such minutes.
- (f) all matters arising from meetings of the Committee shall be determined by a majority of votes. In the event of an equality of votes, the Chairman shall not have a casting vote.

7. Quorum

The quorum for any meetings is two (2) members. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

8. Attendance by Invitation

The executive Board members and members of senior management may be invited to attend meetings. The NRC may invite any person to be in attendance to assist in its deliberations in any particular meeting.

9. Authority of the NRC

The NRC should:

- have authority to investigate any matter within its terms of reference;
- have the resources which are required to perform its duties;
- have full and unrestricted access to all information, documents and officers of the Company and the Group for the purpose of discharging its functions and responsibilities;
- be able to obtain independent professional or other advice; as it considers necessary at the expense of the Company; and
- be able to secure the attendance of external advisers and shall have the discretion to decide who else other than its own members to attend meetings, if it thinks fit.

10. Duties and Responsibilities

In fulfilling its primary objectives in accordance with Paragraph 15.12 of the Listing Requirements, the NRC shall undertake the following responsibilities and duties:

A. Specific responsibilities in relation to nomination

- Make recommendations to the Board with regard to any appointment of Directors considering their skills, knowledge, education, qualities, expertise and experience; professionalism; integrity, time commitment, contribution, boardroom diversity including gender diversity, cultural background and other factors that will best qualify a nominee to serve on the Board; and for the position of Independent Non-Executive Directors, the ability to discharge such responsibilities/ functions as expected;

- Consider, in making its recommendations, candidates for Directorships proposed by the Group MD/CEO and within the bounds of practicability, by any other senior executive or any other Director or shareholder;
- Assist the Board to review regularly the Board structure, size and composition and the required mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board;
- Assess the effectiveness of the Board, any other committees of the Board and the contributions of each individual Director, including the independence of Independent Non-Executive Directors, as well as the Group CEO (where these positions are not Board members), based on the process and procedures laid out by the Board; and to provide the necessary feedback to directors in respect of their performance;
- Ensure proper documentation of all assessments and evaluations so carried out;
- Recommend to the Board, the Directors to fill the seats on any Board Committees. In making its recommendations, the NRC should also consider, within the bounds of practicability, candidates proposed by any Director, Chief Executive/Senior Executive or shareholder;
- Propose to the Board the responsibilities of Non-Executive Directors, including membership and Chairmanship of Board Committees;
- Recommend to the Board for continuation or discontinuation in service of Directors as an Executive Director or Non-Executive Director;
- Recommend to the Board, Directors who are retiring by rotation to be put forward for re-election;
- Evaluate training needs for Directors annually;
- Arrange induction programmes for newly appointed Directors to familiarize themselves with the operations of the Group;
- Recommend to the Board the employment of the services of such advisers as it deems necessary to fulfil the Board's responsibilities; and

B. Specific responsibilities in relation to nomination

- Determine and recommend to the Board the framework or board policy for the remuneration structure, in all forms, of the Executive Directors and/or any other persons as the Committee is designated to consider by the Board, drawing from outside advice as necessary;
- Review changes to the policy, as necessary;
- Determine and recommend to the Board any performance related pay schemes for the Executive Directors and/or any other persons as the Committee is designated to consider by the Board;

- Implement/ maintain a reward system for executive directors based on their performance against the Company's results. The following factors shall be taking into consideration in determining the quantum of remuneration:
 - Position and Scope of work
 - Business strategy and long term objectives of the Company
 - Complexity of the Company's activities
 - Performance
 - Number of Years of Service
 - Experience
 - Salary based on Industry Standard
- Review and recommend the entire individual remuneration packages for each of the executive directors;
- Review proposed share option scheme;
- Appraise performance of each individual Executive Director in proposing salary increment as well as annual bonus;
- Consider and review fringe benefits issues;
- Determine the policy for and scope of service agreements for the Executive Directors, termination payment and compensation commitments;
- Determine remuneration packages of Non-Executive Directors, including non-executive chairman should be a matter for the board as a whole. The individuals concerned should abstain from discussion of their own remuneration;
- Evaluate the different remuneration methods and philosophies as well conducting studies of current industry practice;
- Recommend to the Board the appointment of the services of such advisers or consultants as it deems necessary to fulfil its responsibilities;
- The NRC should ensure that the following disclosure requirements pertaining to Directors remuneration are being complied with:
 - Membership of the NRC appears in the Annual Report;
 - Details of the remuneration of each Director are disclosed in the Annual Report in the name of the Directors segregated into categories;
 - Details of the remuneration of each member of Senior Management are disclosed in the Annual Report by bands of RM50,000 segregated into categories;

C. Specific responsibilities in relation to nomination

- Carry out other responsibilities, functions or assignments as may be agreed by the NRC and the Board from time to time.

11. Review

The terms of reference will be subjected to review from time to time by the NRC, and any amendments are to be approved by the Board before becoming effective.

Terms of Reference of the NRC must be made available on the Company's website.