

CAHYA MATA SARAWAK BERHAD

[Registration No: 197401003655 (21076-T)]

(Incorporated in Malaysia)

NOMINATION & REMUNERATION COMMITTEE

TERMS OF REFERENCE

The authority for the formation of this Nomination & Remuneration Committee shall be the resolution passed on 29 August 2007 by the Board of Directors at its 160th meeting and the Constitution of Cahya Mata Sarawak Berhad ("Cahya Mata" or "the Company"). The new Terms of Reference is adopted on 17 April 2025 as follows:-

1. Composition

- a) The Committee shall be appointed by the Directors amongst its member of no fewer than three (3) members, shall comprise exclusively of Non-Executive Directors, the majority of whom shall be independent directors defined below:-
 - is not an executive director of the Company or its related corporation;
 - has not been within the last 3 years and is not an officer (except as an independent director) of the Company or its related corporation;
 - is not a major shareholder of the Company or its related corporation;
 - is not a family member of any executive director, officer or major shareholder of the Company or its related corporation ["family member" means the spouse, parent, brother, sister, child (including adopted or step child) and the spouse of such brother, sister or child];
 - is not acting as a nominee or representative of any executive director or major shareholder of the Company or its related corporation;
 - is not engaged as an adviser by the Company or its related corporation or is not presently a partner, director (except as an Independent Director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said corporation; or
 - has not engaged in any transaction with the Company or its related corporation or is not presently a partner, director of major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has engaged in any transaction with the Company or its related corporation.
- b) The Chairman of the Company shall not be a member of the Committee.
- c) The members of the Committee shall elect from among their number a Chairman who is independent and non-executive Director.
- d) Where the Members for any reason are reduced to less than three (3), the Board shall within six (6) months of the event, appoint such number of new Members as may be required to make up the minimum number of three (3) Members.
- e) All Members shall hold office only for so long as they serve as Directors of the Company.
- f) Members of the Committee may relinquish their membership in the Committee with prior written notice to the Secretary and may continue to serve as Directors of the Company.

- g) The Secretary of the Committee shall be the Company Secretary.

2. **Meeting and Minutes**

- a) The Committee shall meet as and when required upon request by the Members, provided that the Committee shall meet at least twice a year.
- b) The Chairman of the Committee, or the Secretary on the requisition of the Members, shall at any time summon a meeting of the Members by giving five (5) days' notice.
- c) The Group Managing Director shall always be invited to attend meetings of the Committee.
- d) No business shall be transacted at any meeting of the Committee unless a quorum is present. Each meeting shall have a minimum quorum of three (3) Members of the Committee including the Chairman, of whom at least two (2) shall be independent non-executive directors. In the absence of the Chairman, the members present shall elect one of their number to chair the meeting.
- e) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be dissolved. The meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and as such other time and place as the Members may determine. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the meeting shall be dissolved. In the event the meeting is dissolved due to insufficient quorum and/or a disagreement arises between the Members of the Committee which is not resolved, such matter(s) shall be tabled to the Board for deliberation and/or decision.
- f) Attendance at a meeting may be by being present in person or by participating in the meeting by means of video or teleconference.
- g) In the event of equality of votes, the Chairman shall have a casting vote.
- h) Executive Director or Non-Executive Director shall abstain from the deliberation and voting in respect of their remuneration at the Committee level and Board level. However, he may attend the Committee meetings on the invitation of the Chairman of the Committee if his presence is required.
- i) The Committee may at their discretion and as the need arises, invite one or more persons of relevant expertise to attend the meeting.
- j) Draft minutes of each meeting shall be distributed to each Member of the Committee within one (1) week of the meeting.
- k) Minutes of each meeting shall be kept at the registered office of the Company under the custodian of the Company Secretary. The Minutes shall be open for the inspection of the Board, external auditor, internal auditor, management and other persons deemed appropriate (subject to prior consent of the Chairman of the Committee) by the Company Secretary.
- l) The Chairman shall provide to the Board a summary of the proceedings, signed by the Chairman of the Committee, after each meeting.

- m) The Committee may deal with matters by way of circular resolutions in lieu of convening a formal meeting.
- n) All recommendations and findings of the Committee shall be submitted to the Board for approval. Upon such approval, the Secretary shall distribute to each Member a copy of the said approval.

3. Duties

The responsibilities of the Committee are as follows:-

3.1 Membership to the Board of Directors and Committees

- To determine the criteria for Board membership, including qualities, experience, skills, education and other factors that will best qualify a nominee to serve on the Board.
- To review annually and recommend to the Board with regards to the structure, size, balance and composition of the Board and Committees including the required mix of skills and experience, core competencies which non-executive directors should bring to the Board and other qualities to function effectively and efficiently.
- To consider, evaluate and propose to the Board any new board appointments, whether of executive or non-executive position. In making a recommendation to the Board on the candidate for directorship, the Committee shall have regard to:-
 - i. Size, composition, mix of skills, experience, competencies, gender and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board and Group; and
 - ii. Non-executive directors should be persons of caliber, credibility and have the necessary skill and experience to bring an independent judgment to bear on issues considered by the Board and that independent non-executive directors should make up at least one-third of the membership of the Board.
- To evaluate on annual basis:-
 - i. the effectiveness of the directors' ability to contribute to the effectiveness of the Board and the relevant Board Committees and to provide the necessary feedback to directors in respect of their performance;
 - ii. the effectiveness of the Committees of the Board. In this regard, the Committee must review the term of office and performance of the Group Audit Committee and each of its members annually to determine whether the said audit committee and members have carried out their duties in accordance with their terms of reference; and
 - iii. the effectiveness of the Board as a whole.
- To engage independent experts periodically to facilitate Board evaluation.

- Recommend to the Board, directors to be members of the Board Committees and Boards of subsidiary and/or associate companies.
- To assess and recommend to the Board:-
 - i. whether directors who are retiring by rotation should be put forward for re-election based on the Board Evaluation Form annexed and marked herewith as APPENDIX 1;
 - ii. for new appointment of directors based on the Prospective Director Information annexed and marked herewith as APPENDIX 2; and
 - iii. termination of membership of individual directors in accordance with policy, for cause or other appropriate reasons.
- To ensure an appropriate framework and plan for Board succession for the Group.
- To establish appropriate plans for succession at Board level.
- To recommend continuing appropriate training programmes for Directors during the year.
- To consider, evaluate and approve for recommendation to the Board an appropriate framework and plan for development, appointment and succession of senior management personnel.
- To consider the representation of interest groups as part of boardroom diversity including gender diversity and ensure the investments of the minority shareholders are fairly reflected on the Board.
- To consider other matters as referred to the Committee by the Board.

3.2 Remuneration of Directors, Committees and Senior Management

- To recommend the policy and framework for the Directors' remuneration as well as the remuneration and terms of service of Executive Directors and Senior Management.
- To evaluate performance and reward for Executive Directors and Senior Management. Remuneration packages for the Executive Directors and Senior Management are formulated to be competitive and realistic, emphasis being placed on performance.
- Designs and implements an evaluation procedure for Executive Directors and Senior Management.
- Designs an evaluation procedure for Non-Executive Directors.
- To ensure annual performance targets/key performance indicators are established to achieve consistency with the interests of shareholders of the Company, with an appropriate balance between long and short term goals.
- To review on a yearly basis the individual remuneration packages of the Executive Directors, and to make the appropriate recommendations to the Board.

- The determination of the remuneration of the Executive Directors will be a matter to be decided by the Board as a whole.
- The remuneration of the Non-Executive Directors commensurate with the level of responsibilities undertaken by them and is for the Board as a whole to determine.
- Any increase in Non-Executive Directors' remuneration as well as any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting.

3.3 Guidelines and/or policy on employees' rewards system for Cahya Mata Group excluding companies not managed by Cahya Mata

- To review and recommend the appointment and recruitment terms of employment for senior management in Job Grade 12 and above for Board's approval.
- To approve the appointment and recruitment terms of employment for employees in Job Grade 11.
- To review and recommend on a yearly basis the guidelines/policy on employees' rewards system including annual salary increment, bonus, performance contract payments and ex-gratia payments.
- To review and recommend on a yearly basis the cases for promotion and upgrading (and salary adjustment thereon, if any) for employees.

3.4 Guidelines and/or policy on employees' retrenchment and discipline for Cahya Mata Group excluding companies not managed by Cahya Mata

- To review and recommend the retrenchment terms or disciplinary action, where necessary, for senior management in Job Grade 12 and above for Board's approval.
- To approve the retrenchment terms or disciplinary action, where necessary, for employees in Job Grade 11.

3.5 Administer the implementation of the Employees' Share Option Scheme ("ESOS") in accordance with the By-Laws

- (a) Pursuant to By-Laws 16, the Committee shall, subject to the ESOS By-Laws, vest with such powers and duties as are conferred upon it by the Board to administer the ESOS in such manner as it deems fit. The Committee may, for the purpose of administering this ESOS, enter into any transactions, agreements, deeds, documents of arrangements, and make rules, regulations or impose terms and conditions or delegate part of its power relating to the ESOS which the Committee may in its discretion consider to be necessary.
- (b) To select and determine eligible employees and subsidiary companies who shall be entitled to participate in the ESOS.
- (c) To determine the basis of allocation and the number of shares to be offered and allotted to the eligible employees.

- (d) To determine the terms and conditions of offer to eligible employees in accordance with the established criteria of allocation.
- (e) To administer the Offer to Eligible Persons and the acceptance thereof.
- (f) To determine the subscription price.
- (g) To determine the limits on the exercise of Option, including the number of shares exercisable and the prescribed Option period and to impose any other terms and/or conditions it deems fit.
- (h) To administer the exercise of Option and to ensure remittance for the full amount of subscription monies.
- (i) To administer the exercise and/or termination of an Option in the event the employee ceases to be in the employment of the Company by reason of:
 - resignation;
 - retirement;
 - ill health, injury, physical or mental disability;
 - liquidation of the Company;
 - death; or
 - any other circumstances which are acceptable to the Committee.
- (j) To exercise the rights of the Committee in suspending and/or reinstating the employee's Option in the event the employee is subject to disciplinary proceedings, and to impose such terms and conditions as the Committee shall deem appropriate having regard to the nature of the charges made or brought against the employee.
- (k) No eligible employee, Grantee or legal representative shall bring any claim, action or proceeding against the Company, Board or Committee for compensation, loss or damages arising from the ESOS.
- (l) To approve any adjustment or alteration to:
 - The subscription price; and/or
 - The number of shares unexercised; and/or
 - The method of exercise of the Option arising from any change in the capital structure, as a result of restructuring, divestment from Takeover, Scheme of Arrangement, Amalgamation and/or Reconstruction of the Company.
- (m) To carry out any duties deemed incidental or ancillary in relation thereto.
- (n) The Committee may determine any other eligibility criteria and/or waive any of the conditions of eligibility, for purposes of selecting an Eligible Person, at any time and from time to time, in the Committee's discretion.
- (o) The Committee shall also have the discretion to determine whether the ESOS Options are subject to any vesting period and if so, the vesting conditions and whether such vesting is subject to achieving a performance target.

4. Other Responsibilities

Assess, review, update and recommend any changes to its terms of reference to the Board of Directors for approval pursuant to changes to the relevant regulatory requirements or when there are changes to the direction and/or strategies of the Company that may affect the Committee's role.

5. Powers of the Committee

- a) In general, the Committee shall not have the powers from the Board to implement its recommendations but should be obliged to report its recommendations back to the Board for its consideration and implementation.
- b) The Committee, in accordance with a procedure determined by the Board of Directors and at the cost of the Company, shall:-
 - i. have authority to investigate any matter within its terms of reference;
 - ii. have the resources which are required to perform its duties;
 - iii. have full and unrestricted access to any information records, properties and personnel pertaining to the Cahya Mata Group; and
 - iv. be able to obtain independent professional or other advice.

Revised TOR approved by the Board on 17 April 2025.



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BOARD EVALUATION FORM

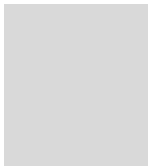
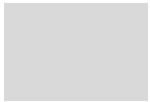
Board Evaluation Form**Name of Director:**

The Evaluation Form provides ratings from one (1) to four (4), or 'Yes' and 'No', with the indicators illustrated below, to be responded in relation to the nature of the questions:

4 ☐	3 ☐	2 ☐	1 ☐
Yes, always	Yes, most of the time	Yes, but seldom	No
<i>or</i>			
4 ☐	3 ☐	2 ☐	1 ☐
Above average	Average	Below average	Poor
<i>or</i>			
Yes ☐			No ☐
Yes			No

Where any criterion is deemed not applicable, it shall be indicated as 'Not Applicable' in the comment box.

Name of Director : _____

Assessment Criteria	4	3	2	1	Comments
<u>Section A : Fit and Proper</u>					
1. Has not been questioned, of his/her honesty, integrity, professional conduct or business ethics/practices which are deceitful, oppressive or improper and investigated on complaints lodged.	☐ Yes			☐ No	
2. Has shown willingness to maintain effective internal control systems and risk management practices.	☐ Yes			☐ No	
3. Possesses relevant qualification, knowledge, experience and ability to understand the technical requirements, risk and management of the company's business.	☐	☐	☐	☐	

Board Evaluation Form

Name of Director:

Assessment Criteria	4	3	2	1	Comments
<u>Section B : Contribution and performance</u>					
4. Probes management to ensure management has taken, and suggests management to take into consideration the varying opportunities and risks whilst developing strategic plan (this plan may not be in writing as long as minutes of meeting provide a discussion of such strategy).	☐	☐	☐	☐	
5. Probes management when there are red flags/concerns which could, amongst others, indicate possible non-compliance of regulatory requirements.	☐	☐	☐	☐	
6. Provides logical honest opinions on issues presented and is not afraid of expressing disagreement on matters during the meeting, if any.	☐	☐	☐	☐	
7. Receives feedback from board and/or committee and incorporates feedback obtained into decision making process in an objective manner.	☐	☐	☐	☐	
8. Defends own stand through constructive deliberations at board and/or committee meetings, where necessary.	☐	☐	☐	☐	
9. Tackles conflicts and takes part in proposing solutions.	☐	☐	☐	☐	
10. Offers practical and realistic advice to board and/or committee discussions.	☐	☐	☐	☐	
11. Takes initiative to demand for additional information, where necessary.	☐	☐	☐	☐	
12. Tests quality of information and assumptions.	☐	☐	☐	☐	
13. Reviews and relates short-term concerns to long term strategy.	☐	☐	☐	☐	

Board Evaluation Form**Name of Director:**

Assessment Criteria	4	3	2	1	Comments
14. Contributes to risk management initiatives.	☐	☐	☐	☐	
15. Contributes personal knowledge and experience into the consideration and development of strategy.	☐	☐	☐	☐	
16. Facilitate objective-oriented decision-making process.	☐	☐	☐	☐	
17. Prioritize context of issues to be in line with objectives.	☐	☐	☐	☐	
18. Effectively and proactively follows up on areas of concern.	☐	☐	☐	☐	
19. Demonstrates willingness to devote time and effort to understand the company, its business and displays readiness to participate in events outside the boardroom such as site visits.	☐	☐	☐	☐	
<u>Section C : Calibre and personality</u>					
20. Acts in good and with integrity.	☐	☐	☐	☐	
21. Attends meetings well prepared and adds value to board and/or committee meetings.	☐	☐	☐	☐	
22. Works constructively with peers, the company secretary and senior management.	☐	☐	☐	☐	
23. Offers insight to matters presented with requisite knowledge and skills, and shares information.	☐	☐	☐	☐	
24. Encourages others to get things done, is decisive and action-oriented.	☐	☐	☐	☐	
25. Articulates in a non-confrontational and comprehensible manner.	☐	☐	☐	☐	
26. Understands individual roles and responsibilities and ensures contribution is contemporary with development.	☐	☐	☐	☐	

Board Evaluation Form**Name of Director:**

Assessment Criteria	4	3	2	1	Comments
27. Behaviour engenders mutual trust and respect within the Board and with other key officers.	☐	☐	☐	☐	
28. Communicates effectively with shareholders.	☐	☐	☐	☐	
29. Constructively challenges and contributes to the development of strategy.	☐	☐	☐	☐	
30. Scrutinises the performance of management in meeting agreed goals and objectives and monitors reporting of performance.	☐	☐	☐	☐	
31. Satisfies himself/herself that financial information is accurate and financial controls and systems of risk management are robust and defensible.	☐	☐	☐	☐	
Other Comments:					

 (Signature)

Date:



CAHYA MATA SARAWAK BERHAD

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PROSPECTIVE DIRECTOR INFORMATION

Prospective Director Information**Name of Director:****PART I : Personal Information**

1.	Full Name	
2.	Salutation	
3.	Date of Birth	
4.	NRIC No.	
5.	Passport No.	[Expiry date: _____]
6.	Nationality	
7.	Race	
8.	Permanent Residential Address	
9.	Service Address [if different from item 6 above]	
10.	Contact No.	
11.	Email Address	

PART II : Education Background and Working Experience

1.	Academic Qualification	
2.	Working Experience	

Prospective Director Information**Name of Director:****PART III : Directorship**

		Name of Company	Date of Appointment	Date of Cessation
1.	List of current directorship			
2.	List of directorship for the past 12 months			

PART IV : Declaration

1.	Do you have any relationship with any Director/Major Shareholder of Cahya Mata Sarawak Berhad? If yes, please state details.	
2.	Do you have any conflict of interest with Cahya Mata Sarawak Berhad and Group? If yes, please state details.	
3.	Do you have any interest in shares, both direct and indirect, in Cahya Mata Sarawak Berhad and Group? If yes, please state details.	
4.	Do you have any relatives currently working in Cahya Mata Sarawak Berhad and Group? If yes, please state details.	

Prospective Director Information**Name of Director:**

5.	Have you ever committed any commercial or criminal crimes (except for traffic offences) under the laws of Malaysia? If yes, please state details.	
6.	Have you or the company where you are a director contravene any provision made by or under any written law such as the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, Malaysian Anti-Corruption Commission Act 2009, Companies Act 2016, Capital Markets and Services Act 2007 and any other applicable laws of Malaysia? If yes, please state details.	
7.	Have you been involved in any business or relationship which could materially pose a conflict of interest or interfere with your judgement when acting as a director which is disadvantageous to Cahya Mata Sarawak Berhad? If yes, please state details.	
8.	Are you currently bankrupt?	
9.	Do you hold a post in any political party? If yes, please state details.	

I hereby declare that the above information are true and correct, as to the best of my knowledge.

(Signature)

Date: