

## NOMINATION & REMUNERATION COMMITTEE (NRC) OF KKB ENGINEERING BERHAD

The NRC members comprises as follows:

Name	Position	Category
Mr. Yong Voon Kar	Chairman	Independent Non-Executive Director
Ir. Othman bin Abdul Kadir	Member	Independent Non-Executive Director
Chai Woon Chew	Member	Non-Independent Non-Executive Director

### Terms of Reference

#### 1. Composition

The NRC shall be appointed by the Board from amongst the Directors of the Company and shall comprise exclusively of Non-Executive Directors, majority of whom are independent.

The Committee shall consist of not less than three (3) members.

#### 2. Quorum

Two (2) members shall form a quorum for meetings.

#### 3. Chairman

The Chairman of the NRC shall be appointed by the Board, who shall be an Independent Director. In the absence of the Chairman of the NRC, the remaining members present shall elect one of their members as Chairman of the meeting.

#### 4. Secretary

The Secretary to the NRC shall be the Company Secretary.

#### 5. Meeting and Minutes

- (a) The NRC shall meet at least once a year or at such other times as the Chairman of the Committee deemed necessary.
- (b) Minutes of each meeting shall be distributed to each member of the Board.
- (c) Question arising shall be decided by a majority of votes. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote provided that where two (2) members form a quorum, the Chairman of the meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue, shall not have a casting vote.
- (d) Unless otherwise determined by the NRC members from time to time, notice of all NRC meetings shall be given and circulated to all NRC members by facsimile, electronic mail or other communication modes. Except in the case of an emergency, reasonable notice of every NRC meeting shall be given in writing. The majority of the NRC members may waive notice of any meeting and any such waiver may be retroactive.
- (e) NRC members may participate in a NRC meeting by means of conference telephone, conference videophone or any similar or other communications by electronic means.

- (f) A person in communication by electronic means with the Chairman and with all other parties to a NRC meeting shall be regarded for all purposes as personally attending such a meeting and shall be counted in a quorum and be entitled to vote but only for so long he has the ability to communicate interactively and simultaneously with all other parties attending the meeting including all persons attending by electronic means.
- (g) A meeting at which one or more of the NRC members attends by electronic means is deemed to be held at such place as the NRC members shall at the said meeting resolve. In the absence of a resolution as aforesaid, the meeting shall be deemed to be held at the place, if any, where a majority of the NRC members attending the meeting are physically present, or in default of such a majority, the place at which the Chairman of the meeting is physically present.
- (h) All businesses transacted in the manner provided above by electronic means shall be deemed to be validly and effectively transacted at a NRC meeting. All information and documents must be made equally available to all participants prior to or at/during the meeting.
- (i) The minutes of the proceedings shall be sufficient evidence and of the observance of all necessary formalities of the NRC if certified and signed as correct record by the Chairman.
- (j) A resolution in writing signed or approved by all of the NRC shall be valid and effectual as a resolution passed at a meeting of the NRC.

## **6. Functions**

- (a) To review regularly the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary.
- (b) To identify, propose and recommend new nominees as necessary for appointment to the Board of Directors as per the "Directors' Fit and Proper Policy" of the Company.
- (c) To assess annually the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director in discharging their duties in a professional, honest and ethical manner at all times and to avoid any conflict or potential conflict between their personal interest and the Group's interest. All assessments and evaluations carried out by the NRC in the discharge of its functions should be properly documented.
- (d) The NRC must review the term of office and performance of the audit committee and each of its members annually to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.
- (e) To recommend to the Board, Directors to fill the seats on various Board Committees.
- (f) To recommend to the Board for continuation (or not) in service of Executive Director(s) and Directors who are due for retirement by rotation.
- (g) To consider and deliberate on new candidates for directorships.
- (h) The NRC or Management as authorized by NRC, will orientate and educate new Directors on the nature of the business, its Vision and Mission, current issues within the Company and its corporate strategy, the expectations of the Company concerning input from the Directors and the general responsibilities of Directors.

- (i) To recommend to the Board the appointment of Group Chief Financial Officer and to evaluate the performance of Group Chief Financial Officer as the case may be.
- (j) To establish and review the succession plan including appointment of board members.
- (k) To review and assist with leadership transfer and development, where necessary training programmes for the Board.
- (l) To review gender diversity on the Board and Senior Management level.
- (m) To recommend to the Board the framework of the remuneration and the remuneration package for Executive Chairman, Group Managing Director and Executive Director, drawing from outside advice as necessary.
- (n) To review Executive Directors' scope of service contract.
- (o) To review the Group Chief Financial Officer's scope of service contract.
- (p) To review, approve and recommend to the Board the Senior Management's remuneration package as evaluated and recommended by Group Managing Director.
- (q) To recommend to the Board the appointment of advisers or consultants as it deems necessary to fulfil its functions.

## **7. Reporting Procedure**

- (a) The NRC should recommend to the Board, candidates for directorships to the Board including Group Chief Financial Officer. In making its recommendations, the NRC should among other qualities, consider the candidates':
  - skills, knowledge, areas of expertise and experience;
  - professionalism;
  - integrity; and
  - in the case of candidates for the position of Independent Non-Executive Directors, the NRC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
- (b) All assessments and evaluations carried out by the NRC in the discharge of all its functions should be properly documented.
- (c) The final decision as to who shall be appointed to the Board and various Board Committees shall be the responsibility of the full Board.
- (d) The NRC will not have the delegated power from the Board for final decision of its recommendations but it has the obligation to make its recommendations to the Board for consideration and decision.
- (e) NRC Membership of the NRC's activities are to be disclosed in the Annual Report.
- (f) The remuneration of Executive Chairman, Group Managing Director, Executive Director and Group Chief Financial Officer shall be the responsibility of the full Board after considering the recommendation of the NRC.

- (g) The Executive Chairman, Group Managing Director and Executive Director do not participate in discussion on their own remuneration.
- (h) The determination of remuneration packages of Non-Executive Directors is a matter for the Board as a whole.
- (i) The determination of Directors' fee shall be a matter for the Board as a whole subject to shareholders' approval at the annual general meeting.
- (j) The level of remuneration should be sufficient to attract and retain the Directors needed to run the Company successfully. The component parts of remuneration should be structured so as to link rewards to corporate and individual performance, in the case of Executive Chairman, Group Managing Director and Executive Director. The level of remuneration should reflect the experience and responsibilities undertaken by the particular non-executive concerned.
- (k) Remuneration Policy and Procedures are to be disclosed in the Company's Website.

**8. Review by the Board**

The Terms of Reference of the NRC is reviewed by the Board annually and updated as appropriate.

*This NRC's Terms of Reference is reviewed by the Board on **22 August 2024***

Revision: 7 (23.11.2023)