

<b>POLICY</b>	<b>COMPLETE LOGISTIC SERVICES BERHAD</b> <b>Registration No. 200501034100 (716241-X)</b>			
	Document Title:  <b>TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE</b>			
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## 1. OBJECTIVE

The Nomination and Remuneration Committee (“NRC” or “Committee”) is established as a committee by the Board of Directors (“Board”) of Complete Logistic Services Berhad (“CLSB” or “Company”) with the following primary function:

### **Nomination Function**

- 1.1 To establish a Fit and Proper Policy for the appointment and re-election of Directors of CLSB and its subsidiaries.
- 1.2 To recommend nominations to the Board for appointment of the Board member, Committees member, as well as to evaluate and recommend to the Board the employment, promotion, discipline, and termination of senior management with the positions of Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), Financial Controller (“FC”), Chief of Operating Officer (“COO”), Chief Corporate Officer and others.
- 1.3 To ensure the Board is effective in discharging its responsibilities in achieving the Company’s goals and objectives.
- 1.4 To ensure the succession plans able to achieve diverse talent pipeline for the Board and senior management.
- 1.5 To ensure the appointment of Board members and senior management are based on objective criteria such as diversity in skills, experience, knowledge, core competences, responsibilities contribution, age, and cultural background.
- 1.6 To ensure the composition of the Board is refreshed periodically.

### **Remuneration Function**

- 1.7 To review and recommend remuneration of Directors and senior management which are well-structured and linked to the strategic goals and objectives of CLSB.
- 1.8 To review and recommend the remuneration packages for Directors and senior management to ensure fair and adequate rewards for their contribution to the long-term success and growth of CLSB.

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1.9 To review and recommend the remuneration policies and procedures which are made through a transparent and independent process for Directors and senior management.

## **2. MEMBERSHIP**

2.1 Members of the NRC shall be appointed by the Board amongst its Directors and shall comprise at least three (3) members, all of whom must be Non-Executive Directors, and a majority of whom must be Independent Non-Executive Directors.

2.2 Where the members of committee for any reason are reduced to less than three (3), the Board shall based on the recommendation of the NRC, within three (3) months from the occurrence of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

## **3. CHAIRMAN**

3.1 The Chairman of the NRC shall be an Independent Non-Executive Director.

3.2 In the absent of the Chairman of the NRC or if he is not present at any Committee meeting within (15) minutes of the appointed for holding the same, the other members of the Committee shall amongst themselves elect a Chairman who must be an Independent Non-Executive director to chair the meeting.

## **4. SECRETARY**

4.1 The Company Secretary shall be the Secretary of the NRC.

4.2 The Company Secretary, in consultation with the Chairman of the NRC, shall draw up the agenda of the meeting. The agenda, together with the relevant support papers, shall be circulated at least five (5) business days, or shorter notice where it is unavoidable prior each meeting to the members of the Committee.

## **5. QUORUM AND MEETING PROCEDURES**

5.1 The NRC shall meet **at least once a year** or as and when the NRC deems necessary to fulfil its responsibilities.

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5.2 The Committee meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables all persons to participate for the entire duration of the meeting.

The technology to be used for the purpose of the meeting must be such that all persons taking part in the meeting must be able to communicate simultaneously with each of the other persons taking part in the meeting and may include telephone, television, video conferencing or any other audio and/or visual device which permits instantaneous communication.

5.3 A virtual meeting shall be deemed to constitute an Committee meeting provided the following conditions are met:-

(a) all the Committee members for the time being entitled to receive notice of the Committee meeting shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as may be permitted by the Constitution of the Company; and

(b) a Committee member may not leave a virtual meeting by disconnecting from the technology used unless he/she has previously expressly notified the Chairman of the meeting of his/her intention to leave the meeting and a Committee member shall be conclusively presumed to have been present and have always formed part of the quorum during such a meeting until such notified time of his/her leaving the meeting.

5.4 The quorum for the meeting shall be two (2) members.

5.5 The Committee may, as and when deemed necessary, invite any Board members or any member of management or consultants, who the Committee thinks fit, to attend its meetings to assist and provide pertinent information as necessary.

5.6 A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes. In the event of an equality of votes, the Chairman has the casting vote.

5.7 A member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall abstain from deliberating and voting

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## **6. MINUTES**

- 6.1 The Company shall cause minutes of all proceedings of the Committee meeting to be entered in books for that purpose. Minutes of each meeting signed by the Chairman of the meeting at which proceedings were held or by the Chairman of the next succeeding meeting.
- 6.2 Minutes shall be kept by the Company at the Registered Office and shall be open for inspection by any Committee member or Board member.
- 6.3 The Minutes of each Committee meeting shall be distributed and tabled to the Board members for notation.

## **7. CIRCULAR RESOLUTION**

- 7.1 A resolution in writing signed by a majority of the Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.
- 7.2 The resolution may consist of several documents in like form, each signed by one (1) or more Committee members. Such document may be accepted as sufficiently signed by a Committee member if it is transmitted to the Company by facsimile or other electrical or digital written message, which include a signature of the said Committee member.

## **8. REPORTING**

The Committee, through its Chairman, shall report a summary of significant matters to the Board at the next Board meeting after each Committee meeting. When presenting any recommendations to the Board for approval, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.

## **9. AUTHORITY**

The Committee shall in accordance with a procedure to be determined by the Board of Directors and at the expense of the Company:-

- (a) have the resources which are required to perform its duties;

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- (b) have full and unrestricted access to all information and documents within the Group which are required to perform its duties;
- (c) obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary; and
- (d) seek input from management on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

## **10. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the NRC shall include, but are not limited to the following:

### **10.1 Nomination Duties and Responsibilities**

- 10.1.1 Identify, consider and recommend to the Board suitable candidates for appointment of Directors. The Committee shall not solely rely on recommendations from existing board members, management or major shareholders, but will also utilise independent sources to identify suitably qualified candidates. In making the recommendations, the Committee shall:-
  - (i) assess the candidates' expertise, skills, experience, professionalism, commitment, integrity, competence and character;
  - (ii) consider board diversity including age and gender diversity;
  - (iii) taking into consideration the assessment of the Fit and Proper policy; and
  - (iv) in the case of candidates for the position of Independent Non-Executive Directors, evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.
- 10.1.2 If the selection of candidates was solely based on recommendations made by existing Board, management or major shareholders, the Committee should explain why other sources were not used.

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- 10.1.3 Recommend to the Board the re-election of Directors who retired by rotation pursuant to the Company's Constitution and re-appointment of Directors who retired pursuant to relevant sections of the Companies Act, 2016, after taking into consideration the assessment of the Fit and Proper policy.
- 10.1.4 Recommend to the Board the appointment of members of each Board Committee,
- 10.1.5 Recommend to the Board any appointment, cessation, suspension, dismissal and/or any staff movement including re-designation, re-deployment, transfer or secondment of senior management of the Group.
- 10.1.6 Assess annually the effectiveness of the Board as a whole, Board Committees, and the contribution of each individual Director and Chief Executive Office including his/her character, competence, experience and time commitment. All assessments and evaluation carried out by the Committee in the discharge of its duties shall be disclosed in the Annual Report.
- 10.1.7 Evaluate and review the performance of the Board and senior management including the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.
- 10.1.8 Review and assess the independence of Independent Directors on an annual basis.
- 10.1.9 Review Board and senior management succession plans and overseeing the development of a diverse pipeline for Board and management succession, including the future Chairman, Executive Directors and Chief Executive Office.
- 10.1.10 Consider and recommend to the Board for approval, the appropriate size of the Board and Board Committees to facilitate effective decision making after taking into consideration the scope and nature of the operations of the Group.
- 10.1.11 Establish Board Diversity Policy for the Board and senior management and to ensure that the Company takes concrete action to achieve the numerical targets as stated in the policy.
- 10.1.12 Facilitate Board induction programme for newly appointed Directors.

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- 10.1.13 Review and recommend to the Board, the development and implementation of the relevant policies and procedures on nomination related matters concerning the Group.
- 10.1.14 Identify suitable educational and training programmes for continuous development of Directors to ensure the Directors keep abreast with development in the industry, regulatory changes and board business trends.
- 10.1.15 Review annually the term of office, effectiveness and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.
- 10.1.16 Review periodically the job descriptions of Executive Directors and senior management.
- 10.1.17 Carry out such other duties or functions as may be delegated by the Board from time to time or required by the regulatory authority.

## **10.2 Remuneration Duties and Responsibilities**

- 10.2.1 Review and implement Group's policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors and senior management and recommend to the Board for approval.
- 10.2.2 In determining the remuneration packages of Directors and senior management, the Committee should take into consideration the following:-
  - (a) qualification and professionalism;
  - (b) technical competency, skills, expertise and experience;
  - (c) roles and responsibilities; and
  - (d) long-term objectives of the Group.
- 10.2.3 Ensure that the remuneration packages for Directors and senior management take into consideration the complexity of Group's business and the individual's responsibilities and performance, comparable market statistics, and their roles in addressing the company's material sustainability risks and opportunities, and achieving sustainability targets.

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- 10.2.4 Review compensation policy of Directors and senior management, and ensure the compensations offered are in line with market practices.
- 10.2.5 Ensure fees and benefits payable to Directors, and any compensation for loss of employment of Executive Directors are approved by shareholders at general meetings.
- 10.2.6 Recommend to the Board any performance related pay schemes for the Company or Group.
- 10.2.7 Recommend to the Board on the appointment of experts or consultants, where necessary to fulfil its responsibilities
- 10.2.8 Oversee any major changes in employee remuneration and benefit structures throughout the Group.
- 10.2.9 To carry out other responsibilities, functions or assignments as may be agreed by the Board from time to time.

## **11. REVIEW OF THE WRITTEN TERM OF REFERENCE**

Any amendments to this term of reference to be approved by the Board. These terms of reference will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Committee's responsibilities.

This Terms of Reference was adopted by the Board on 22 February 2022 and is made available on the Company's website, <https://www.complete-group.com>.