



EURO HOLDINGS BERHAD

[Registration No. 200401008055 (646559-T)]

(Incorporation in Malaysia)

TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

1. ESTABLISHMENT

The Nomination and Remuneration Committees were merged by the Board of Directors of Euro Holdings Berhad (“Euro”) into a single committee and renamed the Nomination and Remuneration Committees (“NRC” or “Committee”) on 27 May 2024.

The rationale for the merger is to enhance the efficiency of the NRC in discharging its duties and responsibilities.

2. COMPOSITION

The Board of Directors shall appoint the Committee from among their number and shall comprise not fewer than three (3) in number.

The members of the Committee shall be Non-Executive Directors, the majority of whom must be independent. No alternate Director shall be appointed as a member.

The members of the Committee shall elect a Chairperson from among their number who is an Independent Director of the Company. The Chairperson of the Board should not be a member of the Committee.

If any vacancy in the Committee results in the number of members being reduced to below three (3), the Board shall fill the vacancy within three (3) months. The membership of the Committee shall be terminated upon the cessation of him/her as a Director of the Company or as determined by the Board.

3. SECRETARY

The Company Secretary is the secretary to the Committee.

4. AUTHORITY

The Board authorizes the Committee to undertake the specific duties and responsibilities stated below. The Committee is also authorised to obtain external legal or other independent professional advice as it considers necessary.



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In making its recommendations, the Committee would consider the following attributes of candidates:

- Board Diversity;
- Skills, knowledge, qualification, expertise and experience;
- Professionalism;
- Integrity;
- Time Commitment;
- Cultural Background; and
- In the case of the candidates for the position of Independent Non-Executive Directors, the Committee would also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

5. DUTIES AND RESPONSIBILITIES

5.1 Nomination Matters

- (a) To establish a policy on Board composition in Euro having regard to the mix of skills, knowledge, varied experience, diversity (including gender diversity), background, integrity, competence, time commitment and independence in order to meet the operational objectives, strategic goals and business requirements of Euro and its subsidiaries ("Euro Group").
- (b) To lead the succession planning and appointment of Directors, and oversee the development of a diverse pipeline for board and management succession.
- (c) To establish the selection criteria and undertake a formal and transparent process for the nomination, appointment and election of the Directors and the nomination of the Chief Executive Officer (CEO).
- (d) To lead the annual review of board effectiveness, ensuring that the performance of each Director and the Chairperson are assessed objectively and holistically.
- (e) To establish the assessment criteria and formalise an objective annual evaluation process for evaluating the performance and effectiveness of the Board, Board Committees, Directors, CEO, and assessing the independence of the Independent Non-Executive Directors.



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- (f) To establish and undertake a formal and transparent process for nomination and appointment of senior management staff, who shall be primarily responsible for running Euro Group's business operations, management of corporate and financial affairs and who shall report directly to the CEO ("Senior Management") to assist the Board in meeting the operational objectives, strategic goals and business requirements of Euro Group.
- (g) To formalise an objective annual evaluation process to review the performance of Senior Management.
- (h) To review the adequacy of the Terms of Reference in the light of new practices and regulatory requirements to ensure that the Committee is operating at maximum effectiveness and recommend changes as and when required.
- (i) To perform such other functions as the Board may request from time to time.

5.2 Remuneration Matters

- (a) To establish a remuneration policy framework and procedures that link rewards to corporate and individual performance, skills, experience, and the strategic and long-term objectives of Euro Group to encourage high-performing Executive and Non-Executive Directors, CEO and Senior Management.
- (b) To implement the remuneration policy framework and procedures, including reviewing and recommending matters relating to the remuneration of the Directors, CEO and Senior Management.

5.3 The Board shall have overall responsibility for the NRC's decisions or recommendations regarding the above matters.

6. MEETINGS

The Committee shall meet at least once a year and may invite other Board members, officers of the Company, employees and any other external parties to attend meetings or part thereof as and when necessary.



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The Committee shall regulate its own procedures, in particular, the calling of meetings, the notice to be given for meetings and the proceedings of the meetings. The Chairperson shall convene meetings as and when required. The Committee shall meet as required to report and make recommendations to the Board.

The Chairperson of the Committee shall chair the meetings, and in his/her absence, the members shall elect one (1) of the members to be the Chairperson of the meeting.

The quorum for the meeting shall be two (2) members, which includes one Independent Non-Executive Director.

The members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all person participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

The Committee, through its Chairperson, shall report to the Board at the Board of Directors' Meeting.

Questions arising at any meeting of the Committee shall be decided by a majority of votes of the members present.

In the case of equality of votes, the Chairperson of the Committee shall not have a second or casting vote. The number of NRC meetings held in a year and the details of attendance of each Member in respect of meetings held should be disclosed annually in the Annual Report.

The Committee may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting.

7. FUNCTIONS OF THE NRC

7.1 Nomination Function

- To determine the criteria for Board membership, including qualities, experience, skills, diversity, expertise, educational background and qualifications, competencies, integrity, contribution, level of commitment in terms of time and other qualities that will best qualify a nominee to serve on the Board.



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- To review annually and recommend to the Board with regard to the structure, size, tenure, directorships, balance and composition of the Board and Committees, including the required mix of skills and experience, core competencies which the Directors should bring to the Board and other qualities to function effectively and efficiently.
- To identify, consider, review, evaluate and recommend to the Board any new Board appointment, whether of executive or non-executive position, to fill board vacancies as and when arises. The NRC shall recommend to the Board with regard to the candidate for directorship based on the following but not limited to:
 - ✓ Skills, knowledge, expertise and experience;
 - ✓ Education background, qualifications and professionalism;
 - ✓ Competency;
 - ✓ Integrity and objectivity;
 - ✓ Independence;
 - ✓ Diversity in gender, ethnicity and age; and
 - ✓ Level of commitment, resources and time.
- To annually review the term of office and performance of the Audit Committee (“AC”) and each of its members annually to determine whether such ARMC and members have carried out their duties in accordance with their terms of reference.
- To annually evaluate the Board and Board Committees, including but not limited to the following:
 - The effectiveness of the Board Committees (including its size and composition);
 - The effectiveness of the Board as a whole;
 - Skills and Contributions of each individual Director; and
 - The independence of the Independent Directors.

All assessments and evaluations carried out by the Committee to discharge all its functions shall be properly documented and conducted at least once a year either internally or via other independent sources.



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- To review the results of the evaluation and recommend to the Board the initiatives/improvements moving forward, to enhance the effectiveness of the Board.
- To determine appropriate trainings for Directors, review the fulfillment of such training and disclose details in the annual report as appropriate, in accordance with Bursa Malaysia's requirements on Continuing Education.
- To consider and recommend to the Board:
 - ❖ Candidates for the re-election of retiring Directors by shareholders under the annual retirement and re-election provisions;
 - ❖ Whether the Independent Director(s) should remain independent or be re-designated, after the assessment of Independent Director(s) be conducted and concluded;
 - ❖ Matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of the Executive Director as an employee of the company subject to the provisions of the law and his/her service contract; and
 - ❖ The re-appointment of any Non-Executive Director at the conclusion of his/her term of office, having given due regard to his/her performance and the ability to continue to contribute to the Board in terms of knowledge, skills and experience required.
- To establish appropriate framework and plans for succession at the Board level to ensure that the Board is comprised of Directors with the skills and experience relevant to the Company's strategic direction and objectives.
- To establish appropriate framework and plans for succession at the Senior Management level to ensure that the Senior Management is comprised of individuals with the skills and experience relevant to the Company's strategic direction and objectives.
- To consider and examine such other matters as the Committee considers appropriate.



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- To consider other matters as referred to by the Board.

7.2 Remuneration Function

- To review and recommend to the Board the remuneration package for Executive and Non-Executive Directors and assist the Board in ensuring that the remuneration of the Executive and Non-Executive Directors is commensurate with the responsibilities and duties undertaken by the Board members.
- To review and verify the allocation of share options/share grants given to the Group's eligible employees is under the criteria for the Employees Share Options Scheme ("ESOS")/Share Grants and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") at the end of each financial year, if any.
- To review and recommend to the Board the increment for the Group's employees and the salary review/increment/adjustment of Senior Management and other strategic positions as determined by the Board.
- The Board, as a whole, determines each Director's remuneration. Directors do not participate in decisions regarding their own remuneration package. Directors who are shareholders shall abstain from voting at the Annual General Meeting/Meeting of Members to approve their fees.
- To review the remuneration policy periodically to assess its effectiveness and relevancy and ensure that it is in line with current market practices and requirements. Amendments or changes to the Remuneration Policy shall be recommended to the Board of Directors for approval.
- The recommendation of remuneration packages for Directors, key Senior Management, and other strategic positions as may be determined by the Board would:-
 - ✓ be based on an objective consideration and approved by the majority of the Board;
 - ✓ take due consideration of the assessments of the effectiveness and contribution of the Directors, key Senior Management and other strategic positions as may be determined by the Board; and



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- ✓ be competitive and consistent with the Company's culture, objectives and strategy of the Group.

8. CIRCULAR RESOLUTION

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. Any such resolution may consist of several documents in like form signed by one or more Committee members.

Any such document may be accepted as sufficiently signed by the Committee member if transmitted to the Company by facsimile or other form of electronic, electrical or digital written message to include the signature of the NRC member.

9. REVIEW OF THE TERMS OF REFERENCE

The Committee may, from time to time, revise or amend its Terms of Reference, provided always that the said revisions or amendments are in compliance with the applicable laws, rules, directives and guidelines and shall be recommended to the Board for approval.

The Terms of Reference of Nomination and Remuneration Committee was updated and adopted by the Board of Directors on 24th October 2024.