



SKYWORLD DEVELOPMENT BERHAD
Registration No. 200601034211 (753970-X)

Terms of Reference of the Nomination & Remuneration Committee (“NRC”)

Purpose	<p>The primary objectives of the NRC are to:-</p> <ol style="list-style-type: none">1. Assist the Board in reviewing and proposing new Directors and committee members to the Board and Board Committees, including Key Senior Management;2. Review the size, composition and effectiveness of the Board and Board Committees; and3. Review and recommend to the Board the remuneration packages for the Directors and Key Senior Management of the Group. <p>“Key Senior Management” refers to Chief Executive Officer, Chief Operating Officer and Chief Financial Officer.</p>
Composition	<p>The NRC shall be appointed by the Board from amongst its Directors and shall consist of not fewer than 3 members, comprise exclusively of Non-Executive Directors, with a majority of them being Independent Directors.</p> <p>All members of the NRC, including the Chairman, shall hold office only so long as they serve as Directors of the Company. Should any member of the NRC cease to be a Director of the Company, his membership in the NRC will cease forthwith.</p> <p>No alternate director of the Board shall be appointed as a member of the NRC.</p> <p>In the event of any vacancy in the NRC resulting in the number of members of the NRC falling below 3, the vacancy must be filled within 3 months from the date of such vacancy.</p>
Chairman	<p>The Chairman of the NRC shall be an Independent Non-Executive Director appointed by the Board.</p> <p>The Chairman of the Board shall not be a member of the NRC.</p>
Authority	<p>The NRC is authorised by the Board to carry out the following in accordance with the procedure determined by the Board and at the cost of the Company:-</p> <ol style="list-style-type: none">1. perform the activities required to discharge its responsibilities and make the relevant recommendations to the Board;2. have full and unrestricted access to information pertaining to the Company and the Group; and

	<p>3. be able to obtain independent professional advice as and when necessary.</p>
<p>Functions</p>	<p>The NRC shall perform the following functions that have been delegated by the Board and make recommendations to the Board for consideration:-</p> <p>(a) <u>Nomination matters</u></p> <ol style="list-style-type: none"> 1. To identify, assess, consider and recommend to the Board, the candidates for Board directorships of the Company. In identifying candidates for appointment of directors, the Board does not solely rely on recommendations from existing directors, management or major shareholders. The Board shall also utilise independent sources such as executive search firms to identify suitably qualified candidates. If the selection of candidates was solely based on recommendations made by existing Directors, Management or major shareholder, the NRC should explain why these source(s) suffice and other sources were not used. <p>In making its recommendation, the NRC should consider the following attributes of candidates:-</p> <ul style="list-style-type: none"> • skills, knowledge, expertise and experience, professionalism, reputation, competencies and commitment (including time commitment); • merit and against objective criteria with due regard for the benefits of boardroom diversity, including gender, age, ethnicity and cultural background, experience, skill, character, integrity and competence; • in the case of the candidates for the position of Independent Non-Executive Directors, the NRC shall also evaluate the candidates' ability to discharge such responsibilities as are expected from Independent Non-Executive Directors; and • in considering independence, it is necessary to focus not only on the candidates' background and current activities that would qualify them as independent but also whether the candidates can act independently of management; <ol style="list-style-type: none"> 2. To review and recommend the retirement and re-election of Director(s) to the Board pursuant to the provisions in the Constitution and contingent on satisfactory evaluation of the Directors' tenure, performance, contribution to the Board and the current Board composition; 3. To determine and review how the Board's performance may be evaluated and propose objective performance criteria; 4. To review the Board's policies and procedures for the selection of Board members; 5. To facilitate Board inductions programme for newly appointed Directors and assist the Board in identifying suitable training programmes for Directors; 6. To review the succession plans of the Board members and Key Senior Management and the Group's diversity policy; 7. To review the composition of each Committee of the Board and make recommendations to the Board for the appointment of additional Committee members or the removal/resignation of Committee members; 8. To assess annually the effectiveness of the Board as a whole, the Committees

of the Board and the contribution of each individual Director as well as the performance of the Key Senior Management including their performance in addressing the Company's material sustainability risks and opportunities vide a formal and objective assessment. All assessments and evaluations carried out by the NRC in the discharge of all its functions shall be properly documented;

9. To assess annually the independence of its Independent Non-Executive Directors;
10. To assess, consider and recommend to the Board, the candidates for the positions of Chief Executive, Chief Operating and Chief Financial Officer of the Company, who may serve as a talent pipeline for board candidacy, based on objective criteria, merit and with regard for diversity in skills, experience, age, cultural background and gender diversity;
11. To review the character, experience, integrity, competence and time to effectively discharge the roles of Chief Executive, Chief Operating and Chief Financial Officer as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
12. To review the term of office and performance of the Audit & Risk Management Committee and each of its members annually to determine whether the Audit & Risk Management Committee and its members have carried out their duties in accordance with their Terms of Reference;
13. To ensure the Board comprises at least 1 woman director and to review the participation of women in senior management to ensure there is healthy talent pipeline;
14. To consider and recommend the Independent Non-Executive Directors beyond 9 years for continuation in office, having due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required; and
15. To provide, in its report, a statement on its activities for the financial year which includes the application of the Directors' fit and proper policy in nomination and re-election process.

(b) Remuneration matters

1. To develop the remuneration policies and procedures to determine the remuneration of Directors and Key Senior Management, which takes into account the demands, complexities and performance of the Company as well as skills and experience required;
2. To review and recommend the remuneration packages of Executive Directors and Key Senior Management (including of annual salary, bonuses and where applicable, fixed allowances and benefits-in-kind);
3. To review at least once a year the performance of the Executive Directors and Key Senior Management and recommend to the Board specific adjustments in remuneration and/or reward payments if any reflecting their contributions for the year;
4. To review and recommend the remuneration of Non-Executive Directors;
5. To consider and review any service contracts and remuneration package for newly appointed Executive Director(s) and Key Senior Management, prior to

	<p>their appointment;</p> <ol style="list-style-type: none"> 6. To review the competitiveness and fairness of the Group’s remuneration structure and ensure the remuneration offered is in line with market practice and be able to retain the directors needed to run the Company successfully; 7. To seek external professional advice on remuneration matters and make recommendations to the Board in order to attract, retain and motivate Directors and Key Senior Management to drive long-term objective, where necessary; and 8. To review the fees of the Directors and any benefits payable to the Directors including any compensation for loss of employment of director or former director. <p>The determination of remuneration packages of Executive Directors and Non-Executive Directors should be a matter for the Board as a whole where the individuals concerned shall abstain from discussion of their own remuneration.</p> <p>No individual shall take part in any discussion concerning specifically his own remuneration.</p>
Secretary	<p>The Company Secretary or other persons appointed by the Board shall be the Secretary of the NRC and shall be responsible, with the concurrence of the Chairman of the NRC, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting and shall be entrusted to record all proceedings and minutes of all meetings of the NRC.</p>
Meetings	<ol style="list-style-type: none"> 1. The NRC shall meet at least once in a financial year or whenever deemed necessary. The Chairman of the NRC may call for additional meetings at any time at his discretion. 2. The quorum for each NRC meeting shall be at least 2 members, one of whom must be an Independent Director. 3. The Chairman of the NRC shall chair the NRC meetings. In the absence of the Chairman, the members of the NRC present shall choose 1 of their numbers who shall be an Independent Director to chair that meeting. 4. Questions arising at any NRC meeting shall be decided by a majority of votes. Each member has 1 vote. In the event of equality of votes, the Chairman of the NRC shall have a second or casting vote. However, at meetings where 2 members are present or when only 2 members are competent to vote on an issue, the Chairman of the NRC will not have the second or casting vote. 5. The Executive Directors, Management and/or any employees of the Company may attend any particular NRC meeting upon the invitation of the NRC. 6. The NRC members may participate in a meeting by means of telephone, video conferencing or any other form of audio or audio-visual instantaneous communication. Such participation shall constitute presence in person at such meeting. 7. The Chairman of the NRC shall report on matters discussed and reviewed at each NRC meeting to the Board. 8. The minutes of the NRC meeting shall be signed by the Chairman of the meeting

	<p>at which the proceedings were held or by the Chairman of the succeeding meeting.</p> <p>9. A resolution in writing, signed or approved by all members of the NRC by letter or other electronic means, shall be as valid and effectual as it has been passed at a meeting of the NRC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more NRC members.</p>
Review of Terms of Reference	<p>The Terms of Reference will be reviewed from time to time and updated in accordance with the needs of the Company and any new regulations. Any revision or amendment to this Terms of Reference, as proposed by the NRC or any third party, shall first be presented to the Board for its approval.</p>