

Terms of Reference of the Nominating and Remuneration Committee ('NRC')

Purpose

The purpose of this document is to outline the term of reference of the Nominating and Remuneration Committee ('NRC') to assist the Board of Directors in discharging its fiduciary duties in accordance with the Malaysian Code on Corporate Governance and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR").

Scope

This policy applies to Scicom (MSC) Berhad and its subsidiaries.

Definitions

Terms	Descriptions
CEO	Chief Executive Officer
CFO	Chief Financial Officer
SMT	Senior Management Team
MMLR	Main Market Listing Requirements of Bursa Malaysia Securities Berhad
NRC	Nominating and Remuneration Committee
The Board	Board of Directors of Scicom (MSC) Berhad
The Company	Scicom (MSC) Berhad
The Group	Scicom (MSC) Berhad and its subsidiary

Policy

1. Objective

The primary objective of the Nominating and Remuneration Committee ("NRC") is to assist the Board in discharging its fiduciary duties covering the following:-

- (a) propose new nominees for the Board of the Company, as to who shall be nominated shall be the responsibility of the full Board after considering the recommendations of the NRC.
- (b) assess the size, composition and effectiveness of the Board and Board Committees.
- (c) appraise each individual Director's historical performance in carrying out their obligations and duties as a Board member of the Company, including the contribution to the effective decision-making process of the Board, taking into account forward-looking considerations such as if the Director possesses the competencies required to drive the Company's future strategies.
- (d) review the performance evaluation of Senior Management Team ('SMT') who report directly to the CEO to ensure objectivity and adherence to service contract.
- (e) recommend to the Board, the remuneration package of Executive Directors, Non-Executive Directors and SMT. The individual Directors should play no part in decisions and/or approval of their own remuneration.

2. Composition of the NRC

- (a) The members of the NRC shall be appointed by the Board from amongst their members.
- (b) The Chairman of the Board shall not be a member of the NRC.
- (c) The NRC shall consist of at least two (2) members and exclusively of Non-Executive Directors, the majority of whom shall be Independent Directors.
- (d) The members of the NRC shall elect a Chairman from amongst its members, who shall be an Independent Non-Executive Director.
- (e) In the event of any vacancy in the NRC resulting in the non-compliance of the above, the Company must fill the vacancy within two (2) months, but in any case, not later than three (3) months of that event.

3. Meetings

3.1. Frequency of Meeting

The NRC shall meet at least once a year and as many times as the NRC deems necessary with due notice of issues to be discussed.

3.2. Proceedings of Meeting

- (a) The quorum for NRC meeting shall be two (2) members of which the majority of members present must be Independent Non-Executive Directors.
- (b) If at any meeting, the Chairman of the NRC is not present within fifteen (15) minutes of the time appointed for holding the same, the members of the NRC present shall choose one of their number to be Chairman of such meeting.
- (c) The NRC 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 persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- (d) Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman of the NRC shall have a second or casting vote except where two (2) members form a quorum, the Chairman of a 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.
- (e) A resolution in writing, signed by all the members of the NRC, shall be as effectual as if 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.

3.3. Attendance at Meeting

- (a) Other members of the Board and officers of the Company and its group may attend the meeting (specific to the relevant meeting) upon the invitation of the NRC.
- (b) External consultants engaged by the NRC, if deemed expedient, to aid the NRC in the discharge of its duties, may be invited to attend relevant meeting.

4. Secretary

The Secretary, his/her representative or other appropriate Senior Officer shall act as secretary of the NRC (the "Secretary").

5. Advisers

The NRC is authorised by the Board to seek appropriate professional advice inside and outside the Group as and when it considers necessary at the expense of the Company.

6. Annual General Meeting

The Chairman of the NRC should attend the Annual General Meeting to answer any shareholder's questions on the activities of the NRC.

7. Duties and Responsibilities

The duties and responsibilities of the NRC shall include the following:-

7.1. Nomination and Annual Assessment

- (a) To develop, maintain and review the criteria to be used in the recruitment and re-election process, as well as annual assessment of Directors vide a formal and objective assessment. The nomination and re-election process, which includes the application of the Directors' fit and proper policy, as well as the annual assessment undertaken for all Directors, should be disclosed in the Annual Report;
- (b) With the assistance of independent sources, where necessary, identify and recommend to the Board, candidates for directorship of the Company, taking into consideration the following:-
 - candidate's skills, knowledge, expertise, experience and professionalisms;
 - candidate's commitment (including time commitment) to effectively discharge his/her role as a Director;
 - boardroom diversity including gender diversity; 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, including acting independently of management.

If the selection of candidates was solely based on recommendations made by existing senior executive, Director or major shareholder, the NRC should explain why these source(s) suffice and other sources were not used.

- (c) To ensure that there is participation of women on the Board and review the participation of women in senior management to ensure there is healthy talent pipeline;
- (d) To recommend to the Board, Directors to fill the seats on Board Committees;
- (e) To review annually the Board composition to ensure it is refreshed periodically, which include the required mix of skills and experiences and other qualities including core competencies which Directors should bring to the Board and recommend its findings to the Board;

- (f) To assess annually the effectiveness of the Board as a whole, the Board Committees, the contribution of each individual Director as well as the performance of the SMT, including their performance in addressing the Company's material sustainability risks and opportunities, and thereafter, recommend its findings to the Board;
- (g) To assess annually the training needs of each individual Director, review the fulfillment of such training and disclose details in the Annual Report;
- (h) Assist the Board in establishing a policy of boardroom diversity, including diversity in gender, ethnicity and age and identifying measures to implement the policy;
- (i) To recommend to the Board on the re-election of the Directors, contingent on satisfactory evaluation of the Director's tenure, performance, contribution to the Board and the current composition of the Board; and
- (j) Assess annually the independence of its Independent Directors, as well as consider and recommend the Independent Directors beyond nine (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. In exceptional cases, recommend to maintain that Director as Independent Director with strong justification, for shareholders' approval through a two-tier voting process.

7.2. Remuneration

- (a) Assist the Board in developing and administrating a fair and transparent procedure for setting policy on remuneration of Directors and SMT;
- (b) To establish remuneration policy and procedure for all Directors and SMT, taking into account of the following factors:
 - the relevant legal and regulatory requirements.
 - the remuneration for Independent Non-Executive Directors do not conflict with their obligation to bring objectivity and independent judgement on matters discussed at Board Meetings.
 - the ability to attract, retain and motivate Executive Directors and SMT of the quality required to run the Company successfully without paying more than necessary having regard to the views of shareholders and other stakeholders.
 - the risk appetite of the Company and alignment to the Company's long- term strategic goals.
 - a significant proportion of remuneration for any Executive Directors and SMT shall be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company.
- (c) To review and recommend to the Board, the remuneration for Non-Executive Directors, taking into consideration of the Company's performance in managing material sustainability risks and opportunities;
- (d) To review and recommend to the Board, the remuneration, including any increment, bonuses or terms of appointment, where applicable, of any Executive Directors and SMT, taking into consideration of their performance in managing material sustainability risks and opportunities, and drawing from outside advice as necessary; and
- (e) To oversee any major changes in the remuneration and benefit structures of employees throughout the Company and the Group.

7.3. Others

- (a) To review and make recommendation to the Board on Succession Planning Policy for the Board and SMT;
- (b) To carry out any other function that may be mutually agreed upon by the NRC and the Board which would be beneficial to the Company and ensure the effective discharge of the NRC's duties and responsibilities; and
- (c) To assess annually the term of office and performance of the Audit and Risk Management Committee and each of its members to determine whether such committee and members have carried out their duties in accordance with their Terms of Reference.

8. Retirement and resignation of member of the NRC

A member of the NRC who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves. However, the appointment of a member of Board to the NRC shall terminate immediately upon the member ceasing to be a Director of the Company.

9. Minutes of meetings

- (a) Minutes of the NRC shall be signed by the Chairman of the NRC meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.
- (b) All minutes of meetings of the NRC shall be kept at the registered office of the Company or a place to be determined by the Board and copies thereof shall be circulated to all members of the Board.
- (c) Any request by Management/ other persons to inspect the minutes shall be subject to the approval of the NRC.

10. Revision of the terms of reference

The Committee shall review its Terms of Reference as and when required, in accordance with the needs of the Company and requirements of any new regulations, and may recommend to the Board any amendments to its Terms of Reference.