



EDELTEQ HOLDINGS BERHAD
[201901033362 (1342692-X)]

(Incorporated in Malaysia)

TERMS OF REFERENCE
NOMINATION AND
REMUNERATION COMMITTEE

Terms of Reference for Nomination and Remuneration Committee

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Revision History

Revision Code	Revision Description	Effective Date
01	Adoption of Terms of Reference	04.08.2022
02	Revision of Terms of Reference by including ESG/Sustainability oversight into the responsibilities of NRC	29.12.2025

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1.0 Objectives

- 1.1 In accordance with the Malaysian Code on Corporate Governance (“MCCG”), the Nomination and Remuneration Committee (“NRC” or “the Committee”) of Edeltec Holdings Berhad (“EHB” or “the Company”) is set up to:
- (1) recommend candidates to the Board of Directors of the Company (“Board”). The final decision on the appointment of any of the Directors shall be made by the Board.
 - (2) provide recommendations to the Board on the remuneration of the Executive Directors and key senior management (“KSM”) of the Company and the Group in all its forms such that the component parts of remuneration are structured to link rewards to corporate and individual performance.
- 1.2 The NRC shall be responsible for ensuring the appropriate Board and the Committees of the Board (“Board Committees”) have an effective and balanced composition and size, and that the Board has a required mix of skills, independence, knowledge, qualifications, gender, experience and other core competencies. Based on the process and procedures laid out by the Board, the NRC shall annually carry out and ensure proper documentation of all assessments and evaluations on the effectiveness of the Board, the Board Committees and the contribution of each individual Director.
The Board Committees refer, in a collective sense to the Audit Committee, Nomination and Remuneration Committee and Risk Management Committee.
- 1.3 Executive Directors should play no part in decisions on their own remuneration while the remuneration of the Non-Executive Directors should be a matter for the Board as a whole to determine. The individuals concerned should abstain from discussion of and voting on their own remuneration.
- 1.4 The NRC shall play an oversight role in ensuring that ESG (Environmental, Social and Governance) considerations are integrated into the Company’s governance framework, including but not limited to:
- (1) Review and recommend that the Board and senior leadership composition, nomination criteria, and succession plans provide the skills and competencies needed to oversee material sustainability-related risks and opportunities.
 - (2) Monitor the alignment of executive remuneration with the Company’s long-term strategy and advise the Board on the potential future inclusion of sustainability-related performance measures.
 - (3) Oversee the accuracy and completeness of disclosures relating to nomination, succession, and remuneration matters, in line with applicable listing requirements and sustainability-disclosure standards.

2.0 Membership

- 2.1 The Committee shall be appointed by the Board from amongst the Directors of the Company. The NRC shall comprise wholly of Non-Executive Directors, the majority of whom are independent. The Committee shall comprise no fewer than 3 members.

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- 2.2 The Chairman of the Committee shall be an Independent Non-Executive Director (“INED”). In the absence of the Chairman of the Committee, the members present shall elect one of their number who is independent to chair the meeting. In this respect, the criteria for independence of the “independent directors” shall be as defined under the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**AMLR**”).
- 2.3 Alternate Director of the Board or Chairman of the Board shall not be appointed as a member of the NRC.
- 2.4 In the event of any vacancy in the Committee which results in the number of members to be reduced to below three (3) and the election of an independent Chairman, the Board shall fill the vacancy within three (3) months of the event.
- 2.5 The appointment of a Committee member shall automatically be terminated if the member ceases for any cause to be a Director, or as determined by the Board.

3.0 Meeting Procedures

- 3.1 The Committee is to meet at least one (1) time a year or more frequently as the need arises or if so requested by any member of the Committee or by the Chairman of the Board.
- 3.2 Quorum for any meetings shall be two (2) members. In the absence of the Chairman of the Committee, the members present shall elect a Chairman from amongst them.
- 3.3 The Committee may, as and when necessary, invite other Board members and/or senior management and/or employees to attend the meeting.
- 3.4 The Company Secretary or his/her representative shall be in attendance at each NRC meeting and record the proceedings of the meeting thereat.
- 3.5 The Committee shall record its conclusion on issues discussed during meetings and report to the Board at the quarterly Board meetings. The minutes shall be circulated to members of the Board.
- 3.6 Subject to item 3.1 above, in appropriate circumstances, the NRC may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A resolution in writing signed by all members in lieu of convening a formal meeting shall be as valid and effectual as it had 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 members.

4.0 Authority

- 4.1 The Committee shall:
- (a) have explicit authority to investigate any matter within its terms of reference;
 - (b) have the resources which are required to perform its duties;

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- (c) have full and unrestricted access to any information and records pertaining to the Company and Group as well as personnel of the Company and the Group;
 - (d) be able to obtain independent professional or other advice, at the expense of the Company wherever necessary and reasonable and in accordance with a procedure to be determined by the Board of Directors, in order to perform its duties; and
 - (e) be able to secure the attendance of external advisers and shall have the discretion to decide who else other than its own members to attend meetings, if it thinks fit.
- 4.2 The Chairman of the NRC shall engage on a continuous basis with senior management, such as the Chairman, the Managing Director or Chief Executive Officer and the Group Financial Controller in order to be kept informed of matters affecting the Group.

5.0 Secretary

- 5.1 The Company Secretary shall be the Secretary of the Committee.
- 5.2 The Secretary shall organize and provide assistance at NRC meetings and have the following key responsibilities:
- (a) ensure meetings are arranged and held accordingly;
 - (b) assist the Chairman in planning the NRC's activities;
 - (c) draw up meeting agendas in consultation with the NRC Chairman and maintain the minutes and draft its scheduled activities for the financial year;
 - (d) ensure structured communication channels between the Board and the NRC;
 - (e) ensure proceedings of meetings are recorded and the minutes circulated in a timely manner and reviewed by the NRC before disseminating them to the Board; and
 - (f) ensure NRC recommendations presented to the Board are supported by papers that explain the rationale for the NRC's recommendations.

6.0 Functions and Responsibilities

- 6.1 The Committee will undertake the following responsibilities and functions, among others, in fulfilment of the MCCG and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("AMLR") and report on the same to the Board.
- 6.1.1 Assessment of Board Composition
- (1) Establish a policy formalizing the Group's approach to boardroom diversity including diversity in gender, age, culture, skills, knowledge and experience and independence.

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- (2) Evaluate, review and recommend on an annual basis to the Board the appropriate size, structure, balance and composition of the Board, required mix of skills, experience and other qualities, including core competencies to function effectively and efficiently which Non-Executive Director shall bring to the Board to ensure that they are in line with EHB's and the Group's requirements and is in compliance with the ACE LR.
- (3) Assess the effectiveness of the Board, the committees of the Board and the contributions of each individual Director, including the independence of INEDs, as well as the CEO and CFO (where these positions are not Board members), based on the process and procedures laid out by the Board; and to provide the necessary feedback to directors in respect of their performance.
- (4) Ensure proper documentation of all assessments and evaluations to be carried out.
- (5) Consider and recommend any policy regarding the period of service of NEDs, tenure of INEDs and the term of office of Board Committee members, including Chairmen of Board Committees.
- (6) Assess on a periodic basis the independence of independent directors and that the Directors and officers of our Group meet the identified independence criteria and are not disqualified under the relevant regulations.
- (7) Periodically review the term of office, and terms of reference of all Board Committees, assisted by the Secretary.
- (8) Maintain and periodically review a Board skills matrix to support the Company's strategy and principal risks, including, where appropriate, experience relevant to sustainability oversight.

6.1.2 Appointment(s)

- (1) Consider and recommend to the Board the selection criteria for new appointments as the Directors of EHB and the Group which may include:
 - (a) Required skills, expertise, knowledge as well as competence and experience;
 - (b) Time commitment, character and integrity (probity, financial integrity and personal integrity) professionalism and personal integrity;
 - (c) Ability to work cohesively with other members of the Board;
 - (d) Specialist knowledge or technical skills in line with the Group's strategy;
 - (e) Diversity in age, gender, skills, experience, cultural background and other factor(s) that will best qualify a nominee to serve on the Board;
 - (f) Number of directorships in companies outside the Group; and
 - (g) Ability to discharge such responsibilities/functions as expected, particularly for INEDs.

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- (h) Experience or exposure relevant to governance and oversight of sustainability-related matters, where relevant to the Group's strategy.
- (2) Consider the need to appoint a Senior INED, and if deemed appropriate, recommend to the Board for approval. In considering the candidate for the position of a Senior INED, the NRC shall assess the required knowledge and other qualities necessary for the effective discharge of his/her responsibilities.
- (3) Identify, consider and recommend suitable persons for appointment as Directors of EHB, its Group and members of the Board Committee and also Key Senior Management positions relying on sources from existing Board members, Management, major shareholders, independent search firms and other independent sources.
- (4) In the case of CFO position, the NRC shall interview the candidate(s) as part of the review process. The NRC reserves the right to interview any pivotal position candidate recommended by the Group CEO.

6.1.3 Retirement, Re-election, Removal and Resignation of Director

- (1) Ensure that every Director, including the EDs, shall be subject to retirement at least once every three (3) years. A retiring Director shall be eligible for re-election. Recommend Director(s) who are retiring (by casual vacancy and by rotation) for re-election at the Company' Annual General Meeting in accordance with the Company's Constitution.
- (2) Recommend to the Board, candidates for re-election of Directors by shareholders. The tenure of an INED shall not exceed beyond a cumulative or consecutive term limit of nine (9) years.
- (3) Recommend to the Board any removal of a Director from the Board in the event that the Director is ineffective, errant and negligent in discharging his/her responsibilities.
- (4) Deliberate and recommend any termination of membership of any Director of the Company (if necessary) due to appropriate reasons in accordance with the relevant law and regulation.

6.1.4 Succession Planning

- (1) The CEO shall assist the NRC in ensuring that an appropriate succession planning framework, talent management and human capital development programme is in place for the position of the CEO and KSM which are key pivotal positions. The NRC shall be apprised of the progress of the programme on a regular basis, and at least once a year.
- (2) Oversee succession planning for the Board Chairman and Directors:
 - (a) Keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;

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- (b) Give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in future;
- (c) Make recommendations to the Board concerning the succession plans for EDs and in particular for the CEO;
- (d) Make any necessary recommendations to the Board concerning the continuation in office, suspension or termination of service of any director (subject, in the case of Company employees to the provisions of their service contracts, if any).

6.1.5 Annual Performance Assessment

- (1) Assess annually the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director, including INED. The NRC shall ensure that all assessments and evaluations carried out by the NRC in the discharge of all functions shall be properly documented and disclosed in the annual report.
- (2) Recommend to the Board, the terms of employment and KPIs of ED(s) and assess the performance of the ED(s) against these KPIs, as well as to review and assess the performance of the KSM.
- (3) Develop, maintain and review the criteria for evaluating the Board's, and Board Committees' and each individual Director's performance.
- (4) Conduct a Board evaluation which is periodically facilitated by professional, experienced and independent parties, if so needed.
- (5) The criteria used in the annual assessment should include the following:
 - (a) will and ability to critically challenge and ask the right questions;
 - (b) character and integrity in dealing with potential conflict of interest situations;
 - (c) commitment to serve the Company, due diligence and integrity;
 - (d) confidence to stand up for a point of view; and
 - (e) contribution and performance, caliber and personality
 - (f) understanding of, and effectiveness in overseeing, the Company's material sustainability-related risks and opportunities, as appropriate to the role.
- (6) Ensure that appropriate actions are taken based on the results of the annual assessments, to continuously enhance the Board's overall performance and identify opportunities for improvement.
- (7) Assess annually the term of office and performance of the Audit Committee and each of its members to determine whether such Audit Committee members have carried out their duties in accordance with the Terms of References.

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6.1.6 Training and Development

- (1) Require the directors to attend training courses, where necessary, including updates on corporate governance and sustainability requirements issued by Bursa Malaysia and the Securities Commission Malaysia.
- (2) Arrange, with Management, induction programmes for newly appointed directors to familiarize themselves with the operations, products and services of EHB Group through briefings by the relevant management teams.
- (3) Ensure a statement is made by the Board in the Annual Report of EHB, containing a brief description on the type of training attended by Directors during the financial year.

6.1.7 Remuneration

- (1) Determine and recommend to the Board the framework or board policy for the remuneration structure, in all forms, of the Executive Directors and key senior management, drawing from outside advice as necessary; The remuneration shall cover all aspects of remuneration including Directors' Fee, salaries, allowances, bonuses, options and benefit-in-kind.
- (2) In determining the remuneration packages of Directors, KSM and employee consultants of the Group, the Committee should take into consideration the following:-
 - (i) technical competency, skills, expertise and experience;
 - (ii) qualification and professionalism;
 - (iii) integrity;
 - (iv) roles and responsibilities;
 - (v) company's performance in managing material sustainability risks and opportunities; and
 - (vi) aligned with the business and risks strategies, and long-term objectives of the Group;
- (3) Review remuneration packages of Directors, key senior management and the consultants of the Group, having regard to the Group's operating results, individual's performance, contribution to the Group and, comparable market statistics, prior to making its recommendations to the Board for approval; The individuals concerned should abstain from discussion of their own remuneration.
- (4) Review compensation policy of Directors and key senior management of the Group and ensure the compensations offered are in line with market practice.
- (5) Review the overall compensation packages of employee consultants of the Group, having regard to, amongst others, the individual's performance, contribution to the Group and the strategies and long-term objectives of the Group, prior to making its recommendations to the Board for approval.
- (6) Implement/maintain a reward system for Executive Directors and key senior management based on their performance against the Company's results. The

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following factors shall be taking into consideration in determining the quantum of remuneration:

- (i) Position and scope of work
 - (ii) Business strategy and long term objectives of the Company
 - (iii) Complexity of the Company's activities
 - (iv) Performance
 - (v) Number of years of service
 - (vi) Experience
 - (vii) Salary based on industry standard
- (7) Determine the policy for and scope of service agreements for the Executive Directors, termination payment and compensation commitments.
- (8) Monitor and periodically review the alignment of executive remuneration with the Company's long-term strategy, including its approach to managing material sustainability-related risks and opportunities, and advise the Board on the appropriateness and timing of any future inclusion of sustainability-related performance measures in remuneration, having regard to organisational readiness (e.g., data quality, assurance, governance) and market practice.

6.1.8 Others

- (1) Recommend to the Board the employment of the services of such advisers as it deems necessary to fulfil the Board's responsibilities.
- (2) Undertake any other responsibilities, functions or assignments as may be defined by the Board from time to time.
- (3) Oversee the accuracy and completeness of disclosures relating to nomination, succession and remuneration matters, in line with applicable listing requirements and relevant disclosure standards.

7.0 Reporting

- 7.1 At the conclusion of each meeting, the Chairman shall report to the Board on key NRC activities undertaken, including recommendations relating to Board nominations, remuneration, succession planning, together with any sustainability-related matters within the NRC's remit.
- 7.2 Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of Bursa Securities' Listing Requirements, the Committee shall promptly report such matter to Bursa Securities.

8.0 Review of the Committee

- 8.1 The Board of Directors must review the NRC (together with other committees) at least once annually to determine whether the Committee has carried out their duties and responsibilities effectively.

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9.0 Disclosure

- 9.1 The NRC is required to prepare an annual report at the end of each financial year to be included and published in the Annual Report of the Company. The NRC Report shall include all the prescribed information as stated under the AMLR:
- (a) Statement on training attended by the Directors incorporating the following:
 - (i) assessment by the Board of the training needs of each Director;
 - (ii) a brief description on the type of training that the Directors have attended for the financial year;
 - (iii) in exceptional circumstances where any Director has not attended any training during the financial year, valid justifications for the non-attendance of such Director;
 - (b) statement on activities of the Committee in the discharge of its duties containing the following information:
 - (i) review pursuant to para 2.20A of the AMLR that each of its Directors, chief executive or chief financial officer has the character, experience, integrity, competence and time to effectively discharge his role as a director, chief executive or chief financial officer;
 - (ii) the policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the Company;
 - (iii) the board nomination and election process of Directors and criteria used by the Committee in the selection process; and
 - (iv) the assessment undertaken by the Committee in respect of the Board, Committees and individual Directors together with the criteria used for such.
 - (c) Details of the remuneration of the Directors. The remuneration of Directors of the Company (including the remuneration for services rendered to the Group) for the financial year on a named basis, stating the amount received or to be received from the listed issuer and on a group basis respectively. The disclosure must include the amount in each component of the remuneration (e.g. directors' fees, salaries, percentages, bonuses, commission, compensation for loss of office, benefits in kind based on an estimated money value) for each Director; and
 - (d) Membership of the Remuneration Committee.
 - (e) The Company's ESG governance structure, including the role of the NRC and Board in overseeing sustainability matters.
 - (f) A summary of ESG and sustainability performance linked to executive remuneration, including specific ESG metrics used in KPIs.
 - (g) An overview of material ESG risks and opportunities identified and managed during the financial year.
 - (h) Key ESG initiatives undertaken and progress against stated ESG goals and targets.

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10.0 Review of Terms of Reference

- 10.1 The terms of reference will be subjected to review from time to time by the Committee and any amendments are to be approved by the Board before becoming effective.
- 10.2 Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.
- 10.3 The Terms of Reference of the NRC must be made available on the Company's website.
- 10.4 The ESG-related provisions of this Terms of Reference shall be reviewed annually to ensure they remain aligned with the latest sustainability reporting standards, Bursa Malaysia guidelines, and the MCCG.

11.0 Deeming Provisions

The provisions under this Terms of Reference have been drafted in a manner to incorporate the provisions under the Bursa Securities Listing Requirements and other statutes, regulations and guidelines applicable to the NRC (if any). In the event the applicable provisions of the Bursa LR and/or relevant governing statutes, regulations and guidelines relating to the NRC are from time to time amended, modified or varied, such amendments, modifications and variations shall be deemed inserted herein whereupon this Terms of Reference shall be read and construed subject to and in accordance with the amended, modified or varied Bursa LR, statutes, regulations and guidelines.

12.0 Approval

The revision of the Terms of Reference for the NRC was approved by the Board on 29 December 2025.