

# **FITTERS DIVERSIFIED BERHAD**

**[Registration No. 198601000595 (149735-M)]**

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## **TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE**

### **1. COMPOSITION**

The Nomination and Remuneration Committee of FITTERS Diversified Berhad (“FITTERS” or “the Company”) shall be appointed by the Board of Directors of the Company (“Board”) and shall elect the Committee members from amongst its members and comprising exclusively Non-Executive Directors with a majority of whom must be Independent Non-Executive Directors.

The Committee shall elect a Chairman from amongst its members who shall be an Independent Director and the elected Chairman of the Committee shall be approved by the Board. The Chairman of the Committee is not the Chairman of the Board.

In the event that the elected Chairman is not able to attend the Committee meeting, a member of the Committee shall be nominated as Chairman for the meeting.

### **2. MEETINGS**

#### **i. Meetings**

The Committee shall meet at least once a year or more frequently as deemed necessary. In the event issues requiring the Committee’s decision arise in between meetings, such issues shall be resolved through written resolutions. Such written resolutions in writing shall be valid and effectual if they are signed or approved by letter, facsimile or any electronic means by all members of the Committee pursuant to the Constitution of the Company.

For the Committee’s meetings (except in the case of an emergency), reasonable notice shall be given in writing to all members of the Committee.

Other Board members and senior management may be invited to attend the Committee meetings.

#### **ii. Quorum**

A minimum of two (2) members to form the quorum.

#### **iii. Secretary of the Committee**

The Company Secretary shall be the secretary of the Committee.

#### **iv. Minutes of the Committee Meeting**

Every meeting of the Committee must be recorded either by the Company Secretary or any other person approved by the Committee to take minutes and such minutes must be confirmed by the Committee at the next succeeding Committee meeting.

The Minutes of each meeting signed by the Chairman of that meeting or by the Chairman of the next succeeding meeting shall be evidence of the proceedings that the meeting was duly convened and held.

### **3. FUNCTIONS**

The functions of the Committee are as follows:-

#### For Nomination

- i. To consider and recommend to the Board suitable candidates for appointment as Directors of the Company. The Committee may utilise independent sources to identify suitably qualified candidate. The Committee shall nominate or appoint a gender diverse Board. In making a recommendation to the Board on candidates for directorship, the Committee should consider the candidates’:-
  - a. skills, knowledge, expertise and experience;
  - b. professionalism;
  - c. integrity; and
  - d. in the case of candidates for the position of Independent Non-Executive Director, the Committee shall also evaluate the candidates’ ability to discharge such responsibilities / functions as expected from Independent Non-Executive Directors.
- ii. To evaluate the required mix of skills, experience, core competencies, diversity (in terms of age, cultural background and gender) of the Board, the Board Committees and the contribution and performance of the individual Directors for the effective and efficient functioning of the Board and the Board Committees.
- iii. To appraise each individual Director and Chairman of the Board including Independent Non-Executive Directors as well as the Group Managing Director in terms of his experience, knowledge, credibility and credentials and assess their effectiveness and contribution in carrying out their obligations and duties as a Board member of the Company. All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.
- iv. To examine the ability of each Director to contribute to the effective decision-making process of the Board and ensure that the Board of the Company is functioning actively, efficiently and effectively in all its decision-making.
- v. To review annually, the term of office and performance of the Audit and Risk Management Committee and each of its members to determine whether such Audit and Risk Management Committee and each of its members have carried out their duties in accordance with their terms of reference.
- vi. To assess the effectiveness of the Board as a whole and the Committees of the Board.
- vii. To review and assess the independence of the Independent Directors of the Company.

- viii. To recommend to the Board concerning the re-election/re-appointment of Directors to the Board pursuant to the Company's Constitution.
- ix. To access to the advice of Company Secretary or other professionals at the Company's expense, if necessary.
- x. To oversee the development of succession planning of the Board and senior management.
- xi. To carry out such other functions or assignments as may be delegated by the Board from time to time.

#### For Remuneration

- i. To review and recommend to the Board the appropriate remuneration packages for the Managing Director, Executive Directors and Non-Executive Directors of the Company, with or without other independent professional advice or other outside advice;
- ii. To formulate policies, guidelines and set criteria for remuneration packages for the Directors of the Company;
- iii. To ensure that the Directors are fairly and appropriately remunerated according to the industry, general market sentiments or conditions;
- iv. To determine the composition of the various components of remuneration such as basic salary, bonus and other benefits in kind for the Managing Director and Executive Directors of the Company.
- v. To ensure all necessary actions are taken expediently by the Board to offer appropriate rewards, benefits, compensation and remuneration and to ensure that the levels of remuneration are sufficiently attractive to retain Directors and structuring the remuneration packages to link rewards to individual performance.
- vi. To ensure that all remuneration packages and benefits given to the Directors are in compliance with the Company's Remuneration Policy and any other laws, rules, requirements, regulations and guidelines set by the relevant authorities and the Board from time to time.
- vii. To attend to any other functions that may be delegated by the Board which would be beneficial to the Company and ensure the effective discharge of the Committee's duties and responsibilities.
- viii. To carry out such other functions or assignments as may be delegated by the Board from time to time.

#### **4. REPORTING RESPONSIBILITIES**

- i. The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within the scope of its duties and responsibilities.

- ii. The Committee shall make whatever recommendations to the Board it deems appropriate, on any area within its terms of reference and/or where action or improvement is needed.
- iii. The Committee shall report to the Board on its activities, based on its Terms of Reference.

## **5. GENERAL MEETINGS**

The Chairman of the Committee should attend the general meetings to answer to questions relating to the Committee's activities.

## **6. REVIEW OF THE TERMS OF REFERENCE**

The Board will review this Terms of Reference from time to time to ensure it remains relevant and viable to meet its objective.

*This Terms of Reference (Version No. 1) was adopted by the Board of FITTERS on 30 May 2022.*