



MILUX CORPORATION BERHAD
[Registration No. 199401027937 (313619-W)]

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

1. Objectives

The principal objectives of the Nomination and Remuneration Committee ("NRC") are:-

- (a) to assist the Board of Directors in their responsibilities in nominating and selecting new nominees to the Board of Directors and to assess the Directors of the Company on an on-going basis; and
- (b) to assist the Board of Directors in their responsibilities in assessing the remuneration packages of the executive and non-executive directors as well as the senior management.

2. Composition

The Board of Directors shall elect the NRC members from amongst the Directors of the Company and shall comprise no fewer than three (3) members, all of whom must be non-executive directors, with a majority of them being Independent Directors.

3. Chairman

The Chairman of the NRC shall be elected from amongst the NRC members. The Chairman of the NRC shall be an Independent Director or the Senior Independent Director identified by the Board of Directors.

4. Secretary

The Secretary of the NRC shall be the Company Secretary of the Company.

5. Meetings

The NRC may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

The Secretary shall on the requisition of the Chairman/members of the NRC summon a meeting of the NRC and except in the case of an emergency, reasonable notice of every NRC meeting shall be given in writing.

6. Quorum

The quorum for a meeting of the NRC shall consist of two (2) members.

7. Circular Resolutions

A resolution in writing signed or approved by a majority of the NRC members for the time being shall be as valid and effectual as if it had been passed at a meeting of the NRC duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more NRC members. Any such document may be accepted as sufficiently signed by a NRC member if transmitted to the Company by electronic mail, telex, telegram, cable, facsimile or other electrical/electronic or digital written message purporting to include a signature or approval of a NRC member.

8. Authority

The NRC, in accordance with a procedure or process to be determined by the Board of Directors and at the expense of the Company,

- (a) shall annually review the required mix of skills and experience and other qualities, including core competencies which non-executive and executive directors should have.
- (b) shall assess on an annual basis, the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual Director.
- (c) to review, assess and recommend to the Board of Directors the remuneration packages of the executive directors and senior management in all forms, with other independent professional advice or outside advice as necessary, at the expense of the Company.
- (d) shall be entitled to the services of a company secretary who must ensure that:-
 - all appointments are properly made, that all necessary information is obtained from Directors, both for the company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Listing Requirements of Bursa Malaysia Securities Berhad or other regulatory requirements.
 - all decisions made on the remuneration packages of the executive directors and senior management be properly recorded and minuted in the Minutes Book of the Company.

9. Duties and Responsibilities

The duties and responsibilities of the NRC are as follows:-

- To identify, assess and recommend to the Board of Directors, candidates for appointment as Directors of the Company, taking into consideration the fit and proper criteria adopted by the Company. In making its recommendations, the NRC should consider, amongst others, the candidates':-
 - (a) technical competency, skills, knowledge, expertise and experience;
 - (b) professionalism;

- (c) integrity;
 - (d) time and commitment; and
 - (e) in the case of candidates for the position of Independent Non-Executive Directors, to evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.
- To consider, in making its recommendations, candidates for Directorships proposed by the Director(s) and, within the bounds of practicability, by any other senior executive or any shareholder.
 - To review and recommend to the Board of Directors the nominees to fill the seats on Board Committees.
 - To review the Board succession plans.
 - To conduct annual assessment on the effectiveness and performance of the Board of Directors as a whole, the committees of the Board, as well as the contribution/performance of each individual Director, including non-executive directors and executive directors. All assessments and evaluations carried out by the NRC in the discharge of all its functions should be properly documented.
 - To review the term of office and performance of the Audit and Risk Committee and each of its members annually to determine whether the Audit and Risk Committee and its members have carried out their duties in accordance with their terms of reference.
 - To examine the size of the Board and Board Committee with a view to determining the impact of the number upon its effectiveness.
 - To facilitate orientation and education programmes or training for new Director.
 - To review the required mix of skills and experience and other qualities including core competencies which non-executive directors should bring to the Board.
 - To develop, maintain and review the performance criteria to be used in the recruitment process and evaluate the performance of each member of the Board of Directors and Board Committees.
 - To develop the criteria and to assess on an annual basis, the independence of the Independent Non-Executive Directors and recommend the same to the Board.
 - To review and recommend to the Board to seek shareholders' approval the retention of Independent Non-Executive Directors whose terms have exceeded the term limit prescribed by the Malaysian Code on Corporate Governance for continuance in office.
 - To review and recommend the re-election of Directors retiring pursuant to the Company's Constitution upon satisfactory assessment of the adopted fit and proper criteria.
 - To establish time commitment expectations for the members of the Board.
 - To establish a policy formalising its approach to boardroom diversity including gender diversity.

- To review the training needs of the Board and facilitate board induction and training programmes.
- To review and assess the remuneration packages of the executive directors and senior management in all forms, with or without other independent professional advice;
- To ensure the levels of remuneration be sufficiently attractive, commensurate with the scope of responsibilities, expertise and complexity of the Company's activities and therefore be able to retain and motivate the Directors needed to run and manage the Company successfully;
- To structure the component parts of remuneration so as to link rewards to corporate and individual performance and to assess the needs of the Company for talent at Board level at a particular time;
- To recommend to the Board of Directors the remuneration packages and terms of employment of the executive directors and senior management;
- To act in line with the directions of the Board of Directors; and
- To consider and examine such other matters as the NRC considers appropriate.

10. Review of the Terms of Reference

This Terms of Reference shall be reviewed and updated at least once every three (3) years or when necessary to ensure its adequacy for current circumstances and any changes to applicable rules and regulations that may have an impact on the discharge of the responsibilities of the NRC.

This Terms of Reference was reviewed and approved by the Board of Directors on 28 November 2023.