

WELLSPIRE HOLDINGS BERHAD
Registration No. 202101026155 (1426455-A)
(“the Company”)

TERMS OF REFERENCE OF THE NOMINATING AND REMUNERATION COMMITTEE

1. MEMBERSHIP

- 1.1 Members of the Nominating and Remuneration Committee (“the Committee”) shall be appointed by the board of directors of the Company (“the Board”) amongst its directors and shall comprise at least three (3) members, all of whom must be Non-Executive Directors, and a majority of whom must be Independent Non-Executive Directors.
- 1.2 The Chairman of the Board must not be a member of the Committee.
- 1.3 Where the members of the Committee for any reason are reduced to less than three (3), the Board shall, based on the recommendation of the Nominating and Remuneration Committee, within three (3) months from the occurrence of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.
- 1.4 No alternate director to be appointed as a member of the Committee.

2. CHAIRMAN

- 2.1 The Chairman of the Committee shall be an Independent Non-Executive Director or the Senior Independent Non-Executive Director.
- 2.2 In the absent of the Chairman of the Committee, the other members of the Committee shall amongst themselves elect a Chairman who must be an Independent Non-Executive Director to chair the meeting.

3. SECRETARY

The Company Secretary shall be the Secretary of the Committee.

4. QUORUM AND MEETING PROCEDURES

- 4.1 The Committee shall meet at least once a year or as and when the Committee deems necessary to fulfil its responsibilities.
- 4.2 If any member is unable to be physically present, he/she may choose to participate by means of a conference telephone or any other audio, or audio-visual, communication equipment which allows all persons participating in the meeting to hear and speak with each other and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum accordingly.
- 4.3 The quorum for the meeting shall be two (2) members.

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- 4.4 The Company Secretary, in consultation with the Chairman of the Committee, shall draw up the agenda of the meeting. The agenda, together with the relevant support papers, shall be circulated at least five (5) business days, or shorter notice where it is unavoidable prior each meeting to the members of the Committee.
- 4.5 The Committee may, as and when deemed necessary, invite any Board members or any member of Management or consultants, who the Committee thinks fit, to attend its meetings to assist and provide pertinent information as necessary.
- 4.6 A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes. In the event of an equality of votes, the Chairman has the casting vote.
- 4.7 A member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall abstain from deliberating and voting.

5. MINUTES

- 5.1 The Company shall cause minutes of all proceedings of the Committee meeting to be entered in books for that purpose. Minutes of each meeting shall be signed by the Chairman of the meeting at which proceedings were held or by the Chairman of the next succeeding meeting.
- 5.2 Minutes shall be kept by the Company at the registered office of the Company and shall be open for inspection by any Committee member or Board member.
- 5.3 The minutes of each Committee meeting shall be distributed to the Board members for notation.

6. CIRCULAR RESOLUTION

- 6.1 A resolution in writing signed by a majority of the Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.
- 6.2 The resolution may consist of several documents in like form, each signed by one (1) or more Committee members. Such document may be accepted as sufficiently signed by a Committee member if it is transmitted to the Company by facsimile or other electrical or digital written message, which includes a signature of the said Committee member.

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7. REPORTING

The Committee, through its Chairman, shall report a summary of significant matters to the Board at the next Board meeting after each Committee meeting. When presenting any recommendations to the Board for approval, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.

8. AUTHORITY

8.1 The Committee shall in accordance with a procedure to be determined by the Board and at the expense of the Company:-

- (a) have the resources which are required to perform its duties;
- (b) have full and unrestricted access to all information and documents within the Company and its subsidiaries ("the Group") to perform its duties;
- (c) obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary; and
- (d) seek input from management on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

9. DUTIES AND RESPONSIBILITIES

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

Nominating Function

9.1 Identify, consider and recommend to the Board suitable candidates for appointment of directors. The Committee shall not solely rely on recommendations from existing board members, management or major shareholders, but will also utilise independent sources to identify suitably qualified candidates. In making the recommendations, the Committee shall:-

- (a) assess the candidates' skills, knowledge and expertise, experience, professionalism, commitment, independence, integrity, time, character, competence, contribution and performance;
- (b) consider board diversity including culture background, age and gender diversity; and
- (c) in the case of candidates for the position of Independent Non-Executive Directors, evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

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- 9.2 If the selection of candidates was solely based on recommendations made by existing Board, management or major shareholders, the Committee should explain why other sources were not used.
- 9.3 Conduct the fit and proper assessment prior to the appointment of any candidate as a Director, or making recommendation for the re-election of an existing Director.
- 9.4 Recommend to the Board the re-election of directors who retired by rotation pursuant to the Company's Constitution and re-appointment of directors who retired pursuant to relevant sections of the Companies Act 2016.
- 9.5 Recommend to the Board the appointment of members of each Board Committee;
- 9.6 Recommend to the Board the appointment, cessation, suspension, dismissal and/or any staff movement including re-designation, re-deployment, transfer or secondment of senior management of the Group.
- 9.7 Assess annually the effectiveness of the Board as a whole, Board Committees, and the contribution of each individual director and Chief Executive Officer including his/her character, competence, experience and time commitment. All assessments and evaluation carried out by the Committee in the discharge of its duties shall be disclosed in the Annual Report.
- 9.8 Review the tenure of each director and ensure that the annual re-election of a director is based on satisfactory evaluation of the director's performance and contribution to the Board.
- 9.9 Evaluate and review performance of the Board and senior management including, taking into consideration the company's performance in managing material sustainability risks and opportunities.
- 9.10 Review and assess the independence of Independent Directors on an annual basis.
- 9.11 Review Board and senior management succession plans and overseeing the development of a diverse pipeline for Board and management succession, including the future Chairman, Executive Directors and Chief Executive Officer.
- 9.12 Consider and recommend to the Board for approval, the appropriate size of the Board and Board Committees to facilitate effective decision making after taking into consideration the scope and nature of the operations of the Group.
- 9.13 Ensure the Board comprises at least 30% women directors and to review the participation of women in senior management to ensure there is healthy talent pipeline.
- 9.14 Facilitate Board induction programme for newly appointed directors.

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- 9.15 Identify suitable educational and training programmes for continuous development of directors to ensure the directors keep abreast with development in the industry, regulatory changes and board business trends.
- 9.16 Review and recommend to the Board, the development and implementation of the relevant policies and procedures on nomination related matters concerning the Group.
- 9.17 Review annually the term of office, effectiveness and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.
- 9.18 Consider and examine such matters as the Committee considers appropriate.

Remuneration Function

- 9.19 Review Group's policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of directors and senior management, and recommend to the Board for approval.
- 9.20 In determining the remuneration packages of directors and senior management, the Committee should take into consideration the following:-
- (a) technical competency, skills, expertise and experience;
 - (b) qualification and professionalism;
 - (c) integrity;
 - (d) roles and responsibilities;
 - (e) company's performance in managing material sustainability risks and opportunities; and
 - (f) aligned with the business and risks strategies, and long-term objectives of the Group.
- 9.21 Review remuneration packages of directors, senior management and key consultants, having regard to the Group's operating results, individual performance and comparable market statistics and recommend to the Board for approval.
- 9.22 Review compensation policy of directors and senior management, and ensure the compensations offered are in line with market practice.
- 9.23 Ensure fees and benefits payable to directors, and any compensation for loss of employment of Executive Director are approved by shareholders at General Meetings.
- 9.24 Oversee any major changes in employee remuneration and benefit structures throughout the Group.
- 9.25 Recommend to the Board any performance related pay schemes for the Company or Group.

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9.26 Recommend to the Board on the appointment of experts or consultants, where necessary to fulfil its responsibilities.

9.27 To carry out other responsibilities, functions or assignments as may be agreed by the Board from time to time.

10. REVIEW OF THE WRITTEN TERMS OF REFERENCE

10.1 Any amendments to these terms of reference shall be approved by the Board. These terms of reference will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Committee's responsibilities.

10.2 The written terms of reference will be made to public on the Company's website.