



WINSTAR CAPITAL BERHAD
Registration No. 202301049890 (1543804-K)

TERMS OF REFERENCE
OF
NOMINATION AND REMUNERATION COMMITTEE

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1. OBJECTIVES

- 1.1 The primary function of the Nomination and Remuneration Committee (“**Committee**”) established by the Board of Directors (“**Board**”) of Winstar Capital Berhad (“**Company**”) is to assist the Board in fulfilling its statutory and fiduciary responsibilities by reviewing and recommending the structure, size and composition and remuneration of the Board and senior management of the Company and its subsidiaries (collectively referred to as “**Group**”). The key responsibilities of the Committee, among others, are as follows:
- (a) to appoint new nominees to the Board and Board Committees to ensure that their compositions meet the needs of the Company;
 - (b) to assess and evaluate the performance of the Board, Board Committees and the individual Directors of the Company on an on-going basis;
 - (c) to ensure an appropriate framework and succession plan in place to achieve diverse talent pipeline for the Board and senior management;
 - (d) to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration, fee and other benefits of Board and senior management; and
 - (e) to ensure that all Directors and senior management are fairly rewarded for their individual contribution to the Company’s overall performance and that the remuneration commensurate with the level of executive responsibility and is appropriate in light of the Company’s performance.

2. COMPOSITION OF THE COMMITTEE

- 2.1 Members of the Committee shall be appointed by the Board among its Directors and shall comprise at least three (3) members, all of whom must be Non-Executive Directors. The majority of the Committee members shall be Independent Non-Executive Directors.
- 2.2 The Chairman of the Board must not be a member of the Committee.
- 2.3 No Alternate Director shall be appointed as a member of the Committee.
- 2.4 Where the members of the Committee for any reason are reduced to less than three (3), the Board shall within three (3) months from the occurrence of the event appoint such number of new member(s) as may be required to fill the vacancy and make up the minimum number of three (3) members.

3. CHAIRMAN

- 3.1 The Chairman of the Committee must be an Independent Non-Executive Director.
- 3.2 The Chairman of the Committee shall chair all meetings of the Committee. If the Chairman of the Committee is not present within fifteen (15) minutes of the time appointed for holding the meeting or is unable/unwilling to chair the meeting, the members of the Committee present shall elect one (1) of them, of whom is an Independent Non-Executive Director, to be the Chairman of the meeting.

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- 3.3 The Chairman of the Committee shall:
- (a) lead the succession planning and appointment of Directors, and oversee the development of a diverse talent pipeline for Board and management succession, including the future Chairman, Chief Executive Director and Executive Directors; and
 - (b) lead the annual review of Board effectiveness, ensuring that the performance of each individual Director and Chairman of the Board are independently assessed.

4. SECRETARY

- 4.1 The Company Secretary shall be the Secretary of the Committee.
- 4.2 The Company Secretary, in consultation with the Chairman of the Committee, shall draw up the agenda and notice of the meeting. The Company Secretary is responsible for circulating the notice of meeting and keeping the minutes of the meeting of the Committee.
- 4.3 The notice of every meeting shall be given in writing and served to the Committee members either personally or by fax, e-mail, post or courier to his/her address in the Register of Directors or to the address provided by the Committee members, as the case may be.

5. QUORUM AND MEETING PROCEDURES

- 5.1 The Committee shall meet at least once a year or more frequently as circumstances may dictate. The Chairman may request for additional meetings when required or upon request made by any Committee member.
- 5.2 The notice of the meeting, together with the meeting materials, shall be circulated at least seven (7) days or shorter notice where it is unavoidable, prior to each meeting to the members of the Committee.
- 5.3 Reasonable notice of every meeting shall be given in writing and served to the Committee members either personally or by fax, e-mail, post or courier to his/her address in the Register of Directors or to the address provided by the Committee members, except in the case of emergency, where the Committee may waive such requirement.
- 5.4 The quorum for the meeting shall be two (2) members. No business shall be transacted unless a quorum is present either in person or by telephone, television, video conferencing or any other audio and/or visual device which permits instantaneous communication.
- 5.5 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, audio-visual, or 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.

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- 5.6 A Committee meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables all Committee members as a whole to participate for the entire duration of the virtual meeting, provided the following conditions are met:
- (a) all the Committee members for the time being entitled to receive notice of the Committee meeting shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as may be permitted by the Constitution of the Company; and
 - (b) a Committee member may not leave a virtual meeting by disconnecting from the technology used unless he/she has previously expressly notified the Chairman of the meeting of his/her intention to leave the meeting and a Committee member shall be conclusively presumed to have been present and have always formed part of the quorum during such a meeting until such notified time of his/her leaving the meeting.
- 5.7 The main venue of the meeting shall be the place where the Chairman of the meeting is present.
- 5.8 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 of the meeting shall have a second or casting vote. The Chairman shall not have a second or casting vote when only (2) members (one of whom is the Chairman) form a quorum or when only two (2) members are competent to vote on the question at issue.
- 5.9 Any member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, must declare his/her interest in the matters and he/she shall abstain from deliberating and voting.
- 5.10 The Committee may, as and when deemed necessary, invite any Board members or any member of management or any employee of the Company, who the Committee thinks fit, to attend the meetings (specific to the relevant meeting) to assist and provide pertinent information as necessary.

6. KEEPING AND INSPECTION OF MINUTES

- 6.1 The Company shall cause minutes of all proceedings of the Committee meeting to be entered in books for that purpose.
- 6.2 Minutes of each meeting, including virtual meetings shall be signed by the Chairman of the meeting at which proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence of the proceedings of the meeting duly held.
- 6.3 The books containing the minutes of meetings shall be kept by the Company at the registered office or a place determined by the Board pursuant to the Companies Act 2016 and shall be open for inspection by any Committee member or Board member.
- 6.4 The minutes of each Committee meeting shall be distributed to the Board members in a timely manner.

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7. COMMITTEE'S CIRCULAR RESOLUTIONS

- 7.1 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.
- 7.2 All such resolutions shall be described as "Nomination and Remuneration Committee's Circular Resolution in Writing" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book.
- 7.3 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 include a signature of the said Committee member.

8. 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.

9. POWER AND AUTHORITY

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 which are required to perform its duties;
- (c) be able to obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary;
- (d) seek input from management on remuneration policies, but no individual should be directly involved in deciding their own remuneration; and
- (e) have access to advice and services of the Company Secretary.

10. DUTIES AND RESPONSIBILITIES

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

10.1 Nomination Responsibilities

- (a) To review and recommend to the Board for approval, the appropriate size, composition, mix of skills and experience, and diversity (including gender diversity) 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.

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- (b) To identify, consider and recommend to the Board suitable candidates for appointment of Directors. The Committee does 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 consider the following:
- (i) the current composition of the Board and the tenure of each Director;
 - (ii) the required mix of diversity in skills, experience, age, race, cultural background and gender of the Board;
 - (iii) the character, experience, integrity, competence, time commitment of such candidate to serve the Board effectively, taking into consideration the number of board positions held on other board of listed and non-listed companies, and such other fit and proper criteria as set out in the Directors' Fit and Proper Policy;
 - (iv) whether there is any existing or potential conflict of interest that could affect the execution of his/her role as a Director;
 - (v) in the case of candidates for the position of Independent Non-Executive Directors, the Board shall also evaluate the candidates' ability to discharge such responsibilities and functions as are expected from Independent Non-Executive Directors; and
 - (vi) in the case of candidates filling seats in respect of the Audit and Risk Management Committee ("**ARMC**") in particular, to ensure the candidate is financially literate and possesses a wide range of necessary skills to discharge his/her duties.

If the selection of candidates was solely based on recommendations made by the existing Board, management or major shareholders, the Committee should explain why other sources were not used.

- (c) To review and assess the independence of Independent Directors on an annual basis and that the Directors meet the identified independence criteria and are not disqualified under the relevant regulations.

Where there is an Independent Non-Executive Director whose term will exceed/has exceeded the nine (9) years tenure, the Committee shall justify the recommendation to retain the said Independent Non-Executive Director after the ninth (9th) year to the Board for consideration to seek annual shareholders' approval through a two-tier voting process.

The tenure of office of an Independent Non-Executive Director must not be more than a cumulative period of twelve (12) years from the date of his/her first appointment as an Independent Non-Executive Director.

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- (d) To 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 and meet the criteria as set out in the Directors' Fit and Proper Policy.
- (e) To recommend to the Board the re-election of Directors who retired by rotation pursuant to the Company's Constitution.
- (f) To deliberate on matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of Executive Director as an employee of the Company subject to the provisions of the law and the service contract.
- (g) To assess and recommend to the Board's approval, new and re-appointment of nominees (where applicable) for directorship, chairmanship and/or membership to the respective Board Committee.
- (h) To recommend to the Board any appointment, cessation, suspension, dismissal and/or any staff movement including re-designation, re-deployment, transfer or secondment of senior management of the Group.
- (i) To establish and recommend for Board's approval a mechanism for formal assessment of the performance of the Board and senior management.
- (j) To assess and review on an annual basis 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, gender diversity and commitment. All the assessments and evaluation carried out by the Committee in the discharge of its duties shall be disclosed in the Annual Report.
- (k) To evaluate and review the performance of the Board and senior management including the performance of the Board and senior management in addressing the Company's material sustainability risks and opportunities.
- (l) To review the succession plans of the Board and senior management and overseeing the development of a diverse talent pipeline for the succession of the Board and management, including the future Chairman, Executive Directors and/or Chief Executive Officer.
- (m) To establish gender diversity policy for the Board and senior management and to ensure that the Company takes concrete action to achieve the numerical targets as stated in the policy.
- (n) To facilitate Board induction programme for newly appointed Directors.
- (o) To 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.

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- (p) To review annually the term of office, effectiveness and performance of the ARMC and each of its members to determine whether the ARMC and its members have carried out their duties in accordance with their Terms of Reference.
- (q) To assist the Board in assessing and evaluating circumstances where a Director's involvement outside the Group may give rise to a potential conflict of interest with the Group's businesses, upon receiving declaration of the same from the Director and thereafter, to inform the ARMC of the same. After deliberation with the ARMC, to recommend to the Board the necessary actions to be taken in circumstances where there is a conflict of interest.
- (r) To periodically review the job descriptions of Executive Directors and senior management.

10.2 Remuneration Responsibilities

- (a) To assist the Board to implement the Group's policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of the Directors and senior management and recommend to the Board for approval.
- (b) To review policies and procedures on remuneration of the Directors and senior management, to ensure that remuneration packages are determined on the basis of individual's merit, qualification and competence, after taking into consideration the complexity of the Group's business and performance, individual's responsibilities, comparable market statistics, and their roles in addressing the Company's material sustainability risks and opportunities and achieving sustainability targets.

In determining the remuneration packages of the Directors and senior management, the Committee should take into consideration the following:

- (i) merit, qualification and professionalism;
 - (ii) technical competency, skills, expertise and experience;
 - (iii) roles and responsibilities;
 - (iv) alignment with the business and risks strategies, and long-term objectives of the Group; and
 - (v) fairness of the remuneration package to attract, retain and motivate quality talent and ensure that the compensations offered are in line with market practice.
- (c) To review and recommend to the Board the compensation payable to the Executive Directors and senior management, and ensure the compensations offered are in line with market practice.
 - (d) To review the formulation of Key Performance Indicators ("**KPIs**") of the Chief Executive Officer, Executive Directors and senior management, and to assess on a periodic basis, their actual performance against the approved KPIs.

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- (e) To recommend to the Board any performance related pay schemes for the Company and the Group.
 - (f) To recommend to the Board on the appointment of experts or consultants to assist the Committee on all remuneration matters, where necessary to fulfil its responsibilities.
 - (g) To review major changes in employee remuneration and benefit structures throughout the Group.
- 10.3 To carry out such other duties or functions as may be delegated by the Board from time to time or required by the regulatory authority.

11. REVIEW OF TERMS OF REFERENCE

The Board will periodically review and update this Terms of Reference to ensure its relevance, effectiveness and alignment with the Group's objectives, practices and current laws and regulations. Any amendments to this Board Charter shall be approved by the Board.

This Term of Reference is made available on the Company's website.

12. APPROVAL

This Terms of Reference was reviewed and approved by the Board of Directors on 26 June 2024.