

ANCOM LOGISTICS BERHAD [Registration No.: 196601000150 (6614-W)] (Incorporated in Malaysia)	Date of Statement :	10/08/2023
	Last reviewed and approved by the Remuneration & Nomination Committee :	11/09/2023
	Approved by the Board of Directors :	15/09/2023

TERMS OF REFERENCE OF THE REMUNERATION & NOMINATION COMMITTEE

CONSTITUTION AND MEMBERSHIP

The Board of Directors ("Board") of Ancom Logistics Berhad ("Company"), has by resolution established a committee by the name of Remuneration & Nomination Committee ("R&N Committee" or "Committee").

The Committee shall be appointed by the Board from amongst its members. The Committee shall comprise at least two (2) members, who must be Non-Executive Directors, with a majority being Independent Directors as defined in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

The Committee will appoint a member, who must be an Independent Non-executive Director, as the Chairman of the Committee.

If a member of the Committee resigns or for any reason ceases to be a member, resulting in fewer than the required number of two (2) members, the Board shall within three (3) months of that event appoint such number of new members as may be required to make up the minimum number of members.

All members of the Committee including the Chairman shall hold office until otherwise determined by the Board. If a member ceases to be a Director of the Company, that member ceases to be a member of the Committee.

SECRETARY

One of the Company Secretaries shall be the Secretary of the Committee. The Secretary, in consultation with the Chairman of the Committee, will be responsible for determining the agenda for each Committee meeting. The Secretary will also be responsible for keeping proper records, including the minutes and resolutions of the Committee.

QUORUM

The quorum necessary for the transaction of business by the Committee shall be two (2) members, both of whom must be Independent Non-Executive Directors. A duly convened meeting of the Committee at which the quorum is present is entitled to exercise all or any of the authorities, powers and discretion vested in or exercisable by the Committee.

MEETINGS

The Committee shall meet at such times as directed by the Board and at any time upon the request of any member of the Committee or at the Chairman's discretion. Unless otherwise directed by the Chairman of the Committee, the Executive Vice Chairman ("EVC") and relevant advisors will be invited to attend each meeting of the Committee.

The agenda shall be sent to all Committee members and any other persons required to attend the meeting at least seven (7) days prior to the meeting unless such requirement is waived by the Committee members at the meeting.

Each Committee member shall have one vote. All decisions of the Committee shall be by majority vote. In the case of equality of vote, the Chairman, or if he is absent, the Chairman of the meeting elected from amongst the Committee members attending the meeting, shall have a second and casting vote.

The Committee may pass resolutions by circular resolutions. Such resolutions are to be signed by all the Committee members.

Members of the Committee shall not participate in discussion and will not vote on any issue in respect of which there is an actual or perceived conflict of interest.

MINUTES

The Secretary shall minute the proceedings and resolutions of all Committee meetings. The minutes of a Committee meeting, after it has been affirmed at the subsequent Committee meeting and signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the succeeding meeting, shall be deemed a correct recording of the proceedings.

The minutes shall be kept by the Secretary and are subject to inspection by the Committee members and the Board upon request.

Copies of the minutes shall be distributed to the Committee members and the Board for information.

ANNUAL GENERAL MEETING

The Committee Chairman shall attend the Annual General Meeting of the Company and shall respond to any shareholder's questions on the Committee's activities.

DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The Committee shall, in respect of its duties in relation to Nomination matters:

- Annually review the structure, size, required mix of skills, knowledge, experience, diversity and other qualities, including core competencies and effectiveness of the Board and the Board Committees as a whole, and make recommendations to the Board with regard to any proposal for changes;
- Develop and implement succession plans for the Executive and Non-Executive Directors and in particular for the roles of EVC and other key management personnel, taking into account the challenges and opportunities facing the Company and the skills and expertise needed from the Board in future;
- Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board and Board Committee vacancies as and when they arise. In identifying suitable candidates, the Committee shall satisfy itself that the candidate has the knowledge, character, experience, integrity, competence and time to effectively discharge his/her role as a Director, giving due regard to the Group's Diversity Policy. In identifying suitable candidates for Board membership, the Committee shall rely on a range of sources, including recommendations from existing Board members, Management and major shareholders, as well as independent sources such as recruitment agencies and industry associations;
- Evaluate and appraise annually the performance of the Board and each Board Committee as well as the contribution of each Director, having given due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required;
- Assess the current skillset and training needs of Directors and recommend suitable orientation, educational and training programmes to continuously train and equip the existing and new Directors where Directors can keep themselves abreast of changes in relevant new laws and regulations and changing commercial risks;
- Make recommendations to the Board on candidates it considers appropriate for appointment to key Management positions;
- Recommend to the shareholders the re-election by shareholders of any Director under the 'retirement by rotation' provision in the Company's Constitution having due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required; and
- Consider any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of the law and their service contract.

In relation to remuneration matters, the Committee shall:

- Ensure that the Company maintains remuneration and incentive policies and practices that are competitive, equitable and that will attract and retain good directors within the Company and its subsidiaries, in line with the long-term interest of the Company;
- Consider and determine, based on their performance and such other factors as the Committee shall deem appropriate as against the agreed benchmark, the remuneration of the Chairman, the EVC, the Non-Executive Directors and the Executive Directors of the Company and its subsidiaries;

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Terms of Reference of the Remuneration & Nomination Committee

- Review and recommend to the Board the terms and conditions of incentive plans applicable to the Executive Directors, participation of eligible Executive Directors in the Executive Share Option Scheme or other incentive plans;
- Select, appoint and set the terms of reference for any remuneration consultant who advises the Committee, and consider any other connection that they may have with the Company;

In relation to the above, the Committee shall at all times give due regard to published or other available information relating to pay, bonuses and other benefits of Executive Directors in companies which are comparable to the Company; and consider any other matters as may be requested by the Board.

REPORTING RESPONSIBILITIES

The Committee Chairman shall report formally to the Board on the proceedings of each meeting and all matters within the Committee's duties and responsibilities. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

The Committee shall make a statement in the Annual Report about its activities and the process used to assess the Board, Board Committees and individual Directors, to determine the remuneration of the individual Directors, and to recommend potential candidates to the Board, where applicable.

AUTHORITY

The Committee is authorised to seek any information it requires from any employee of the Company and access the Company's resources to enable it to discharge its duties as it considers appropriate. The Committee may also have access to all relevant Company records, invite any Director or employee, or employ other external legal or professional advisors at the Company's expenses, as appropriate, and request them to attend the Committee's meetings.

OTHER

The Terms of Reference are subject to review by the Committee and the Board on an annual basis and will be amended as appropriate to reflect current practices in good corporate governance and the required duties and responsibilities of the Committee.

The Committee shall, at least once a year, review its own performance to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.