GADANG HOLDINGS BERHAD

Registration No. 199301023376 (278114-K)

TERMS OF REFERENCE OF THE NOMINATION & REMUNERATION COMMITTEE

1. PURPOSE

The primary objective of the Nomination & Remuneration Committee ("NRC" or the "Committee") is to assist the Board in proposing new nominees for the Board and Board Committees, developing and establishing competitive remuneration policies and packages for Directors and Senior Management and assessing the performance of the Board and Board Committees on an ongoing basis.

2. MEMBERSHIP

The NRC shall be appointed by the Board from among their number and shall be composed of not fewer than three (3) in number.

The majority of the members of the Committee shall be Independent Non-Executive Directors.

The members of the Committee shall elect a Chairman from among their number who is not an Executive Director of the Company and it is recommended that the Chairman of the NRC shall be an Independent Non-Executive Director or the Senior Independent Non-Executive Director.

The NRC members may relinquish their membership in the NRC with prior written notice to the Secretary. In the event of any vacancy in the NRC resulting in the number of members being reduced to below three, the Board shall, within three (3) months fill the vacancy.

3. MEETINGS

3.1 The NRC shall meet at least twice (2) a year. However, additional meetings may be called, at any time, by the NRC Chairman or any member.

3.2 The quorum for the meeting shall be two (2) members, both of whom must be Independent Non-Executive Directors. In the absence of the Chairman, the members present shall elect a Chairman from among them to chair the meeting.

3.3 Other directors or employees may attend any particular NRC meeting upon the invitation of the NRC specific to the relevant meeting.

4. REPORTING

4.1 The Chairman of the Committee shall report on each meeting to the Board.

4.2 The NRC shall make recommendations to the Board as it deems appropriate in any area within its remit where action or improvement is needed.

5. SECRETARY

The Secretary of the Committee shall be the Company Secretary.

6. AUTHORITY

The NRC shall have the following authority as empowered by the Board:

- to make decisions on matters which fall within the purpose and responsibilities of the NRC;
- have full and unrestricted access to Group Human Resources, including without limitation, its information, records, properties and personnel;
- to have sufficient resources to carry out its duties, including obtaining independent professional advice on any matters within its terms of reference; and
- provide its recommendations to the Board for its consideration and approval.

7. FUNCTIONS & DUTIES

The main functions and duties of the NRC shall include, but are not limited to the following:

7.1 Nomination Functions and Duties

7.1.1 To review, recommend and consider candidates for appointment or removal to the Board of the Company, subsidiaries and associates of the Group, including Board Committees.

7.1.2. To regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary.

7.1.3 To assess the effectiveness of the Board as a whole, the Board Committees ~~of~~ and the contribution of each Individual Director and each member of the Board Committees on an annual basis, including reviewing the independence of the Independent Non-Executive Director. The Chairman shall lead the annual review of board effectiveness. The Committee may consider engaging a professional experienced and independent party to facilitate the assessment exercise.

7.1.4 To set the Key Performance Indicators (KPIs) for the Group Managing Director and to review and evaluate the performance of the Group Managing Director against the approved KPIs to ensure alignment with the Group's strategic objectives and performance expectations.

7.1.5 To give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the Board in the future. The Chairman shall lead the succession planning and appointment of the Board members, including future Chairman and Group Managing Director.

7.1.6 To be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise.

7.1.7 To make assessment and recommendations on the Independent Non-Executive Director who has served in that capacity for more than nine (9) years should the Board wish to re-designate him as a Non-Independent Non-Executive Director.

7.1.8 To recommend to the Board concerning directors who are retiring by rotation to be put forward for re-election, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required.

7.1.9 To review induction and training needs of Directors to ensure that all Directors receive appropriate continuous training programme to broaden their perspective and to keep abreast with development in the marketplace and of the new statutory regulatory requirements.

7.1.10 To review the conflict of interest assessment during the annual assessment exercise.

7.2 Remuneration Functions and Duties

7.2.1 To review and recommend the remuneration package of the Independent Non-Executive Directors. The individuals concerned shall abstain from discussion of their own remuneration.

7.2.2 To review and recommend the terms and conditions of employment and remuneration of the Executive Directors and senior executives of the Group.

7.2.3 To review and recommend the annual salary increments and bonuses of the Executive Directors and senior executives of the Group.

7.2.4 To oversee the overall bonus structure of the Group.

7.2.5 To oversee the key human resource policies and guidelines to ensure they are in line with corporate objectives and strategy.

7.2.6 To review, if any, compensation commitments or severance payments to executive directors of the Company and to make recommendation to the Board for approval. To review and approve, if any, compensation commitments or severance payments to executive directors of the subsidiary companies.

8. SELECTION AND APPOINTMENT OF DIRECTORS PROCEDURE

8.1 In the circumstances where the NRC believes, or the Board requests, that there is a need to appoint additional Director(s), whether due to the resignation or retirement of a Director or growth or complexity of the Company, certain procedures will be followed.

8.2 The NRC will help assess and recommend to the Board, the candidates for appointment as directors, the appointment of Directors to Board Committees and review of the Board's succession plans.

8.3 In assessing the suitability of candidates:

a. consideration will be given to the skills and experience appropriate for the appointee, having regard to the skills, experience, expertise and diversity of the existing Directors, the size of the Board and any other anticipated changes to the Board.

b. where a need has been identified, the NRC will search/recommend for potential candidates by:
   - seeking applications from suitably qualified individuals; and/or
   - recommendations from fellow directors, management or external parties including the Company's contacts in related industries, and finance, legal and accounting professions; and/or
   - utilizing independent sources to identify suitably qualified candidates.

c. Candidates will be assessed based on the following criteria:
   (i) competencies and qualifications;
   (ii) independence and conflict of interest;
   (iii) contribution to the overall balance and composition of the Board, assessed against the Board Skill's Matrix;
   (iv) time availability, including assessment of other roles that may impede the candidate's capacity to add value to the Company;
   (v) depth of understanding of the role of and legal obligations of a director.

d. A short list of candidates will be prepared for the NRC's consideration and interview by the NRC.

8.4 The NRC will assess, review and deliberate and thereafter, present their recommendation to the Board.

8.5 Discussion and decision to be made by the Board on the proposed new appointment.

8.6 Once appointed, the new Directors will be subject to relevant induction procedures to provide them with sufficient knowledge of the Group and its operating environment to enable them to fulfil their role effectively.

9. REVIEW OF THE TERMS OF REFERENCE

The NRC may review its Terms of Reference annually or as and when deemed necessary.

*Revised and approved by the Board on **23 July 2025**.*