

CITAGLOBAL BERHAD
(formerly known as WZ Satu Berhad)
[Registration No. 200401027590 (666098-X)]
(Incorporated in Malaysia)

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

1. Objectives

The principal objective of the Nomination and Remuneration Committee (“**NRC**”) is to nominate and screen potential Board member candidates with the aim to establish an appropriate structure for succession and development including an effective process for director selection and tenure and to review and recommend to the Board the remuneration, compensation and benefits packages of the Executive Directors and Key Senior Management.

“Key Senior Management” refers to a person/persons, who in the opinion of the Company, is/are the key senior management of the Group, and must include a person/persons who is/are primarily responsible for the business operations of the Company’s core business and principal subsidiaries. Key Senior Management shall include the following persons:

- (a) Chief Executive Officer (“**CEO**”), Chief Operating Officer (COO), Chief Financial Officer (CFO) (who are not directors), of Citaglobal Berhad (formerly known as WZ Satu Berhad) or the Group; and/or
- (b) CEO of the major subsidiaries of the Group.

The NRC shall also assess effectiveness and the contribution of the Board as a whole and each individual Director and the Board Committees of the Company on an on-going basis.

2. Composition of members

The Board of Directors shall elect the NRC members from amongst themselves, composed exclusively of Non-Executive Directors, a majority of whom are independent.

3. Chairman

The Chairman of the NRC shall be elected from amongst the NRC members and shall be an Independent Non-Executive Director of the Company.

In the absence of the Chairman of the NRC, the remaining members present shall elect one of their independent non-executive members as Chairman of the Meeting.

4. Secretary(ies)

The Secretary(ies) of the NRC shall be the Company Secretary(ies) of the Company.

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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 or any member of the NRC may call for additional meetings at any time at the Chairman's discretion.

In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the Meeting.

Notice of NRC meetings shall be given to all the NRC members unless the NRC waives such requirement.

Questions arising at any meeting of the NRC shall be decided on a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Meeting shall have a second or casting vote.

A member of NRC may participate in a meeting of NRC by means of a telephone conference or video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the said meeting and shall be entitled to vote or be counted in a quorum accordingly.

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

The NRC shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Board at the expense of the Company.

6. Minutes

Minutes of each Meeting shall be kept at the registered office and distributed to each member of the NRC and also to the other members of the Board.

The Minutes of the NRC Meeting shall be signed by the Chairman of the Meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

7. Quorum

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

8. Circular Resolutions

A resolution in writing signed 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.

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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 telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of the NRC member.

9. Authority

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

- (a) annually review the required mix of skills and experience and other qualities, including core competencies which Non-Executive and Executive Directors should have.
- (b) assess on an annual basis, the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director.
- (c) review the term of office and performance of the Audit Committee and each of its members annually to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.
- (d) assess on an annual basis, appointment and re-appointment of Independent Directors as provided in Bursa Malaysia Securities Berhad's Main Market Listing Requirements. The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. After a cumulative term of nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. However, if the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek shareholders' approval annually through a two-tier voting process.
- (e) review, assess and recommend to the Board of Directors the remuneration packages of the Executive Directors and Key Senior Management in all forms, with other independent professional advice or outside advice, if necessary.
- (f) be entitled to the services of the Company Secretary(ies) who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, all decisions made on the remuneration packages of the Executive Directors and Key Senior Management are properly recorded and minuted, 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 the Bursa Malaysia Securities Berhad or other regulatory requirements.

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Notwithstanding anything stated above, the NRC does not have executive powers and shall report to the Board of Directors on matters considered and its recommendations thereon, pertaining to the Company and the Group.

10. Duties and Responsibilities

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

- (1) Nomination matters
 - (a) To recommend to the Board of Directors, candidates for all directorships to be filled by the Shareholders or their nominees. In making its recommendations, the NRC may consider the candidates'-
 - skills, knowledge, expertise and experience;
 - professionalism;
 - integrity;
 - competencies, commitment, contribution and performance; and
 - in the case of candidates for the position of Independent Non-Executive Directors, the NRC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors;
 - (b) To recommend candidates for appointments to the Board of Directors, Board Committees and Key Senior Management positions.
 - (c) To consider, in making its recommendations, candidates for directorships proposed by the Directors and, within the bounds of practicability, by any other Senior Executive or any Director or Shareholder and to take steps to ensure that gender, ethnicity and age group diversity is considered as part of its recruitment exercise.
 - (d) To recommend to the Board the optimum size of the Board, and formalising a transparent procedure for proposing new nominees to the Board and Board Committees.
 - (e) To recommend to the Board of Directors the nominees to fill the seats on Board Committees.
 - (f) To review and consider refresh the composition of the Board periodically.
 - (g) To review the tenure of each Director and recommend Directors who are retiring (by rotation) for re-election. The annual re-election of director should be based on satisfactory evaluation on the director's performance and contribution to the Board.

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- (h) To review and recommend to the Board, on an annual basis, the required mix of skills, independence, diversity (including gender, age and ethnicity) and other qualities required to facilitate the effective and efficient functioning of the Board, including core competencies of Non-Executive Directors;
 - (i) To assess the effectiveness of the Board of Directors and Board Committees as a whole and each individual Director including Executive Directors (if any).
 - (j) 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.
 - (k) To develop the criteria to assess independence and to assess on an annual basis, the independence of the Independent Non-Executive Directors and recommend the same to the Board.
 - (l) To recommend the retention of its Independent Non-Executive Directors whose terms have exceeded nine (9) years tenure for continuance in the office.
 - (m) To establish time commitment expectations for the members of the Board.
 - (n) To establish a policy formalising its approach to boardroom diversity.
 - (o) To review training programmes for the Board and facilitate board induction and training programmes.
 - (p) To act in line with the directions of the Board of Directors.
 - (q) To consider and examine such other matters as the NRC considers appropriate or as directed by the Board.
- (2) Remuneration matters
- (a) To ensure that the Company maintains remuneration and incentive policies and practices that are competitive, equitable and that will attract and retain Executive Directors and Key Senior Management of caliber within the Company and its subsidiaries and which are in line with the long-term interest of the Company.
 - (b) In respect of Executive Directors and Key Senior Management, to ensure that their remuneration packages commensurate with the skills and responsibilities expected of the Executive Directors and Key Senior Management concerned and are sufficient to retain them to run the Company successfully.

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- (c) In respect of Non-Executive Directors, to ensure via the Board as a whole, that the fees and allowances payable reflect the experience, time demanded of the Non-Executive Directors to discharge their duties and level of responsibilities undertaken.
- (d) To consider details of remuneration of each Executive Director and Key Senior Management concerned, such as basic salary, bonus and other benefits-in-kind, and how these details should be presented in the Annual Report.
- (e) To conduct continued assessment of individual Executive Director and Key Senior Management concerned to ensure that remuneration is directly related to corporate and individual performance.
- (f) To select, appoint and set the terms of reference for any remuneration consultants who advise the NRC and consider any other connection that they may have with the Company.
- (g) To recommend to the Board of Directors the policy and framework for Directors and Key Senior Management's remuneration as well as the remuneration and terms of service of Executive Directors.
- (h) To review periodically and recommend to the Board the overall remuneration policy for the Executive Directors and Key Senior Management of the Group to ensure that rewards commensurate with their contributions to the Group's growth, profitability and the policy supports shareholders' value consistent with its culture and strategy.
- (i) To review annually the performance of the Executive Directors and Key Senior Management and recommend specific adjustments in remuneration and/or rewards payment based on the policy of the Group, if any, reflecting their contributions for the year and which are competitive and consistent with its culture and strategy.
- (j) To assess the needs of the Company for candidates as and when required.
- (k) To recommend to the Board of Directors for approval of the proposed remuneration packages of the Executive Directors.

Whilst discharging the above duties, Directors should abstain from discussion of their own remuneration.

11. Reporting

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The NRC shall report to the Board of Directors, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least once a year, but more frequently if it so wishes.

The NRC shall also report to the Board of Directors on any specific matters referred to it by the Board.

The NRC Chairman shall report on the proceedings of each Meeting to the Board.

These terms of reference may change from time to time to fulfill such other requirements as prescribed by the Bursa Malaysia Securities Berhad and/or to align the NRC with recommended best practices and proper corporate governance.