

**KLCC REIT MANAGEMENT SDN BHD**  
**Registration No. 201201042293 (1026769-H)**  
(Incorporated in Malaysia)

***[AS THE MANAGEMENT COMPANY OF KLCC REAL ESTATE INVESTMENT TRUST]***

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

**1.0 Purpose**

The Nomination and Remuneration Committee ("NRC" or "Committee") is to assist the Board of Directors ("the Board") in the following areas:-

- (a) Establish and assess membership qualifications for the Board of Directors, including defining specific criteria for Directors' independence and committee membership criteria;
- (b) Recommend candidates to fill vacancies on the Board or to stand for election to the Board by the shareholders;
- (c) Periodically assess the performance of the Board as a whole, the various Committees of the Board and the contribution of each individual Director;
- (d) Review and recommend the remuneration policy and framework for Directors and senior management; and
- (e) Review the succession plans for Directors and senior management and to ensure and maintain an appropriate balance of skills, experience etc. necessary for the Company's business.

**2.0 Composition**

- (a) The Committee shall consist of at least three members.
- (b) The Committee members shall be appointed by the Board from amongst the Directors of the Company. The Committee shall comprise exclusively of Non-Executive Directors, a majority of whom must be independent.
- (c) The Chairman of the Board of Directors shall not be a member of the Committee.

### **3.0 Chairman**

- (a) The Chairman of the Committee, who shall be an Independent Director, may be designated by the Board of Directors based upon recommendation by the Committee, if any.
- (b) In the absence of the Chairman, the remaining Committee members present shall elect one of their members as Chairman of the NRC meeting.
- (c) The Chairman of the Committee shall attend the annual general meeting to answer any shareholder questions on the Committee's activities.

### **4.0 Secretary**

The Company Secretary or any other person appointed by the Committee shall be the Secretary of the Committee meeting.

### **5.0 Quorum**

The presence of the majority of the Independent Non-Executive Directors shall form the quorum of the meeting.

### **6.0 Meetings**

- (a) The Committee shall meet at least three times a year or such other times as the Chairman of the Committee deemed necessary.
- (b) The Secretary shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.
- (c) The Secretary shall minute the proceedings and resolutions of all Committee meetings. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board.
- (d) Questions arising shall be decided by a majority of votes. In the case of an equality of votes, the Chairman of the Committee meeting shall have a second or casting vote provided that where two members form a quorum, the Chairman of the meeting at which only such a quorum is present, or at which only two members are competent to vote on the question at issue, shall not have a casting vote.

- (e) Whilst the preference is for meetings to be conducted physically, meetings may also be held virtually via telephone conferencing, video-conferencing or by any digital means, and any member participating via the said platforms shall be deemed to present in person and counted as quorum for the Committee meetings.
- (f) The Committee may also decide any decision by way of the Committee's circular resolutions. A resolution in writing signed or approved by the members being not less than two Directors that are sufficient to form a quorum shall be valid and effectual as if it had been passed at a meeting of the NRC.
- (g) Attendance of other directors, employees and consultants at any particular Committee meeting shall be at the Committee's invitation.

## **7.0 Roles and Functions**

7.1 The following shall be the common recurring duties and responsibilities of the Committee in carrying out its purposes. These duties and responsibilities are set forth as a guide to the Committee with the understanding that the Committee may alter or supplement them as deemed appropriate under the circumstances to the extent permitted by applicable laws.

- (a) To assess and recommend new appointments to the Board and Board Committees;
- (b) To develop and review the criteria for appointments of directors including capability, skills, knowledge, experience, diverse background such as gender, age and ethnicity;
- (c) To conduct annual assessment on the effectiveness of the Board, Committees and Individual Directors including the criteria to assess their independence. The Committee shall engage an external independent expert to conduct the board effectiveness evaluation exercise at least once every three years to facilitate an objective and candid Board evaluation;
- (d) To review the succession plans for Directors and senior management and to ensure and maintain an appropriate balance of skills, experience etc. necessary for the Company's business;
- (e) To recommend a Senior Independent Non-Executive Director for the Board's approval.
- (f) To review and recommend to the Board on the re-election of retiring directors in annual general meetings;

- (g) To evaluate the re-appointment of any Non-Executive Director at the conclusion of their specific term of office;
- (h) To assist the Board in reinforcing its independence by having a tenure limit for independent directors that should not exceed nine years.
- (i) To regularly review the structure, size and composition (including skills, knowledge, experiences and so on) of the Board and Board Committees and make recommendations to the Board for any changes required;
- (j) To undertake the assessment of Directors' training and development needs (e.g. seminars, training, programmes, workshops and conferences) to further enhance business acumen and professionalism in discharging their duties to the Company;
- (k) To evaluate the performance of the Senior Management (including Chief Executive Officer) as measured against the goals and objectives of the Company at least annually at a meeting to which the Independent Directors are invited;
- (l) To establish a formal and transparent remuneration policy and framework to be adopted by the Board to attract and retain directors. In establishing the remuneration package for Directors, it shall be fair and aligned with the business strategy and long-term objectives of the Company, and should reflect the Board's responsibilities, expertise and the complexity of the Company's activities;
- (m) To recommend to the Board the remuneration packages for senior management, which is aligned to the property industry, and to review changes thereto as necessary;
- (n) To oversee the qualitative and quantitative disclosures of remuneration made in the annual report and notice to general meetings;
- (o) To undertake a formal independent review of the Directors' remuneration once in every three years.
- (p) To take such other actions and do such other things as may be referred to it from time to time by the Board.

7.2 Provided that the ordinary shares in KLCC Property Holdings Berhad ("KLCCP") and the units in KLCC Real Estate Investment Trust remains stapled to each other, where necessary, to consult and cooperate with the NRC of KLCCP in respect of matters relating to (a) the nomination and remuneration policy of the Company and KLCCP and (b) the carrying out of the NRC's roles and functions to ensure consistent approaches taken by the NRC of the Company and the NRC of KLCCP.