

**RT PASTRY HOLDINGS BERHAD**  
**(Registration No. 201801014342 (1276258-V))**

**Nomination and Remuneration Committee Terms of Reference**

**1.0 PRIMARY PURPOSES**

The primary objective of the Nomination and Remuneration Committee (“NRC” or “Committee”) is to establish a documented, formal and transparent procedure to support and advise the Board of Directors (“Board”) of RT Pastry Holdings Berhad (“RT” or the “Company”) in fulfilling their responsibilities to shareholders with the following primary objectives :-

- (a) To assist the Board in reviewing on an annual basis the appropriate size and balance of the Board, including appropriateness of non-executive participation.
- (b) To review the required mix of skills, experience, knowledge and responsibilities of the Directors of the Board.
- (c) To recommend members for appointments to the Board and Board Committees and to ensure appropriate assessment of Directors on an ongoing basis.
- (d) To ensure there is sufficient succession planning and human capital development focus in RT group of companies (“Group”).
- (e) To recommend to the Board the remuneration framework for the Non-Executive Directors including the Non-Executive Chairman.
- (f) To set the policies and procedures on the remuneration framework, including reviewing and making recommendations to the Board on all elements relating to remuneration, terms of employment, reward structure and fringe benefits for Executive Directors, the Group Chief Executive Officer (“GCEO”), Chief Operating Officer (“COO”) and Chief Financial Officer (“CFO”).
- (g) To set the policy and remuneration framework for employees of the Group.

**2.0 COMPOSITION**

The NRC shall comprise at least three (3) members, all of whom must be Non-Executive Directors, and a majority of whom must be Independent Non-Executive Directors. Where the members of the Committee for any reason are reduced to less than three (3), the Board shall base on the recommendation of the NRC, within three (3) months from the occurrence of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

Members of the NRC shall be appointed by the Board amongst its Directors.

No alternate director shall be appointed as a member of the Committee.

**3.0 CHAIRMAN**

The Committee shall elect a Chairman from amongst its members who shall be an Independent Non-Executive Director and approved by the Board. The chairman of the Board shall not be a member of the Committee.

The responsibilities of the NRC Chairman, among others, are as follows: -

- (a) Planning and conducting meetings;
- (b) Overseeing the reporting to the Board;
- (c) Encouraging open discussion during meetings;
- (d) Developing and maintaining active on-going dialogue with Management
- (e) Lead a succession planning and appointment of Directors, and oversee the development of a diverse pipeline for Board and Management succession, including the future Chairman, Executive Directors; and
- (f) Lead the annual review of board effectiveness, ensuring the performance of each individual Director, Board Committees and Chairman of the Board are independently assessed.

#### **4.0 AUTHORITY**

The Committee shall, in accordance with a procedure to be determined by the Board and at the cost of the Company:-

- Have explicit authority to investigate any matter within its Terms of Reference;
- Have the resources which are required to perform its duties;
- Have full and unrestricted access to all information and documents which are required to perform its duties;
- Have full and unrestricted access as well as direct communication channels with the following parties:-
  - i. Management and any of the staff of the Group;
  - ii. External Auditors of the Group;
  - iii. Internal auditors of the Group;
  - iv. Legal counsels of the Group;
  - v. Company Secretaries of the Group;
  - vi. Any other advisers of the Group; and
- Obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary.

Where the Committee is of the view that any of the matters that are reported to the Board are not satisfactorily resolved, resulting in breach of any laws, rules, regulations, requirements and guidelines, the Committee shall have the authority to report such matters to the relevant authorities.

#### **5.0 DUTIES AND RESPONSIBILITIES**

The functions of the Committee are as follows:

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- i) To evaluate and review annually and recommend to the Board with regard to the structure, size, tenure, directorships, balance and composition of the Board and Board Committees including the required mix of skills and experience, core

competencies and diversity (in terms of age, cultural background and gender) and make recommendations to the Board with regard to any adjustments that are deemed necessary;

ii) To annually appraise the Board and Board Committees including but not limited to the following:

- The effectiveness of the Board Committees (including its size and composition);
- The effectiveness of the Board as a whole;
- Commitment, skills and contributions of each individual Director and the GCEO; and
- The independence of the Independent Non-Executive Directors.

All assessments and evaluations carried out by the Committee in the discharge of all its functions are properly documented and shall be disclosed in the Annual Report of the Company;

iii) To oversee the development of a diverse pipeline for Board and management succession, including identifying the future Chairman;

To consider and recommend to the Board on suitable candidates for appointment as Directors of the Company. The Committee will undertake appropriate review when determining the process of identifying suitable candidates to ensure the requirement and qualification of the candidate nominated is based on a prescribed set of criteria comprising but not limited to the following:

- a) Skills, knowledge, expertise and experience;
- b) Professionalism;
- c) Integrity;
- d) Existing number of directorships held;
- e) Age;
- f) Cultural background;
- g) Ensure the Board comprises the requisite number of women directors and also to review the participation of women in key senior management;
- h) Confirmation of not being an undischarged bankrupt or involved in any court proceedings in connection with the promotion, formation or management of a corporation or involving fraud or dishonesty punishable on conviction with imprisonment or subject to any investigation by any regulatory authority under any legislation; and
- i) In the case of candidates being considered for the position of Independent Non-Executive Director, such potential candidates must have the ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
- j) Amongst others, the potential candidates must fulfil the criteria used in the definition of "Independent Director" prescribed by the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and able to be independent and give objective judgement to the Board.

Where required, the members of the Committee would meet up with potential candidates for the position of director to assess his/her suitability;

iv) The Committee shall ensure that orientation and education programmes are provided for new members of the Board;

v) The Committee shall recommend to the Board concerning the re-election of Director to the Board pursuant to the provisions in the Company's Constitution;

- vi) To consider and recommend the continuance of office of Independent Non-Executive Directors who have served the Board beyond nine (9) years, having due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required;
- vii) To annually review the term of office and performance of the Audit and Risk Committee (“ARC”) and each of its members to determine whether such ARC and its members have carried out their duties in accordance with their terms of reference;
- viii) The Committee shall undertake an annual review of the training programmes attended by the Directors for each financial year as well as the training programmes required to aid the Directors in the discharge of their duties as Directors and to keep abreast with industry developments and trends; and
- ix) The Committee shall assist the Board for the purpose of the disclosure of the activities of the Committee in the Annual Report and Corporate Governance Report of the Company; and
- x) To recommend to the Board the appointment, cessation, suspension, dismissal and/or any staff movement involving the key senior management of the Group.

### **Remuneration**

- i) To assist the Board to establish a formal and transparent remuneration policy and procedures for approving the remuneration of the Directors and Senior Management;
- ii) To review and recommend the Directors’ fees and benefits to the Board for approval;
- iii) To assist the Board to formulate policies, guidelines and set composition of various types of components of remuneration such as basic salary, bonus and other benefits in kind for Directors and Senior Management, which takes into account the demands, complexities and performance of the Company as well as skills and experience required;
- iv) To ensure that all the Directors and Senior Management are fairly rewarded for their individual contributions to the Company;
- v) To ensure that the level of remuneration is sufficiently attractive to retain the Directors and Senior Management and structuring the remuneration packages to link rewards to individual performance; and
- vi) To assist the Board to ensure all remuneration packages and benefits given to the Directors and Senior Management are in line with the Company’s remuneration policy and complying with all laws, rules, requirements, regulations and guidelines set by the relevant authorities and the Board from time to time.

The Director concerned shall abstain from deliberation and voting on his/her own respective re-election.

The fit and proper assessment on any person identified to be appointed as a Director or to continue holding the position as a Director within the Company and its subsidiaries will be conducted prior to the initial appointment or proposed re-election as a Director. The Committee shall be guided by the Directors’ Fit and Proper Policy in conducting the fit and proper assessment.

## **6.0 MEETINGS OF THE COMMITTEE**

### **6.1 Frequency**

The Committee shall meet at least once a year or as and when the Committee deems necessary to fulfil its responsibilities..

In the event the Chairman of the Committee is not able to attend the meeting, any members of the Committee present at the meeting shall elect one of their number who is an Independent Non-Executive Director to be the Chairman.

### **6.2 Notice of Meetings**

Unless otherwise agreed, notice of each meeting confirming the venue, date and time, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than seven (7) days before the date of the meeting. Minutes of the last meeting and relevant papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

### **6.3 Quorum**

A minimum of two (2) members to form the quorum.

### **6.4 Meeting mode**

A member of the Committee may participate in a meeting by either:

- a. physically present in person at the venue of meeting; or
- b. by means of a video conferencing, telephone or other electronic and communication facilities which allows all persons participating in the meeting to hear each other. A participant shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly notwithstanding the fact that he/she is not physically present at the venue where the meeting is to be held. The meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chairman of the meeting then is.

The Committee members may also exercise its deliberation and voting via a circular resolution.

A resolution in writing signed or approved by a majority of the members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted and may consist of several documents in like form each signed by one or more members and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the minutes book of Committee proceedings. The expressions of "in writing" or "signed" include approval by any such member by letter, telefax, electronic mail or any form of electronic approval or electronic signature or digital signature via software, electronic devices or other means of telecommunication apparatus or devices approved by the Directors of the Company for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.

### **6.5 Secretary of the Committee**

The Company Secretary shall be the secretary of the Committee.

The Company Secretary, in consultation with the Chairman of the Committee, shall draw up the agenda of the meeting. The agenda, together with the relevant support papers, shall be circulated at least five (5) business days, or shorter notice where it is unavoidable prior to each meeting to the members of the Committee.

#### **6.6 Minutes of the Committee meeting**

The Company Secretary shall attend, record, prepare and circulate the minutes of the meetings of the Committee and such minutes shall be confirmed by the Committee at the next meeting. The minutes shall be kept by the Company at the Registered Office and shall be open for inspection by any Committee member or Board member.

#### **7.0 REVIEW OF THE TERMS OF REFERENCE**

The NRC shall recommend any change to its terms of reference in such manner as the NRC deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements. It shall also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the NRC's role

This Terms of Reference was adopted by the Board of the Company on 8 August 2024.

**END.**