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

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**1.0 COMPOSITION**

- 1.1 The Nomination and Remuneration Committee (“the Committee”) shall be appointed by the Board of Directors from amongst its numbers which fulfills the following requirements:
- a. The Committee shall consists of not less than two (2) members;
  - b. The members of the Committee shall comprise mainly of non-executive directors;
  - c. A quorum shall consists of at least two (2) members, the majority of whom shall be independent directors;
  - d. The members of the Committee shall elect a Chairman from amongst themselves who shall be an independent non-executive director;
  - e. If a member of the committee resigns or for any other reasons ceases to be a member which results in being less than the required number, 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 of two (2) members; and
  - f. All members of Committee, including the Chairman will hold office only so long as they serve as directors of Dataprep Holdings Bhd. The Board of Directors shall review their terms of office and performance of the Board Committees and each of its members annually.

**2.0 MEETING AND MINUTES**

- 2.1 Meeting shall be held at least once a year;
- 2.2 The Company Secretary shall act as secretary of the Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to the member prior to each meeting; and
- 2.3 The secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee. The secretary of the Committee shall circulate the minutes of the meeting of the Committee to all member of the Board.

**3.0 REPORTING RESPONSIBILITY**

- 3.1 The Committee will report to the Board on the nature and extent of the functions performed by it and may make such recommendations to the Board as it may think fit.

#### **4.0 RIGHTS AND AUTHORITY**

- 4.1 In carrying out its duties and responsibilities, the Committee shall have the following rights:
- a. Have explicit authority to investigate any matters within its terms of reference and to recommend, if thought fit for the dismissal of the executive directors;
  - b. Have adequate resources required to perform its duties;
  - c. Have full and unrestricted access to information, record, properties and personnel of the Company and Group;
  - d. Be able to obtain independent professional or other advice and to invite outsiders with relevant experience and expertise to attend the Committee's meeting if it considers this necessary;
  - e. The determination of remuneration packages of non-executive directors, including non-executive chairman should be a matter for the Board as a whole. The individual should abstain from discussion of their own remuneration; and
  - f. Undertake any such other duties and functions as may be requested by the Board from time to time.
- 4.2 As a general rule, a member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

#### **5.0 RESOLUTIONS**

- 5.1 Resolutions at meetings.
- a. All resolutions passed at a meeting of the Committee must be carried by a simple majority vote of the members present and voting in favour of the resolutions.
- 5.2 Resolutions in writing.
- a. A resolution in writing signed by majority of members of the Committee shall be effective as a resolution passed at the Committee meeting duly convened and held, and may consist of several documents in the like form, each signed by one or more members of the Committee.

#### **6.0 PURPOSES**

- 6.1 The purposes of the Nominating functions of the Committee:
- a. To propose to the Board for their approval new candidates to join the Board of the holding, subsidiary companies and Board committees; and
  - b. To assess the effectiveness of the Board on an on-going basis in order to achieve a right balance of experience and expertise for required mix of skills, experience and other qualities including core competencies which non-executive directors should bring to the Board and also assess the contribution of each individual director.

- 6.2 The purposes of the Remuneration functions of the Committee:
- a. The review and recommend to the Board for their approval the framework of executive compensation and its cost, and the remuneration packages for each executive director are fairly rewarded for their individual contribution to the overall performance of the Group and to endorse the remuneration packages paid to senior management recommended by the Group Managing Director (“GMD”);
  - b. To demonstrate to the shareholders of the Company that the compensation packages for each executive director are set by members who have no personal interest in the outcome of the decisions of the Committee and who will have due regards to the interest of the shareholders;
  - c. To review the effectiveness and performance and thereafter, to recommend to the Board for their recommendation to the shareholders, the remuneration of non-executive directors, which shall be the decision of the Board as a whole; and
  - d. To review and recommend to the Board for their approval, the Group’s Performance Linked Compensation scheme.
- 6.3 The purpose of the Long Term Incentive Plan functions of the Committee:
- a. To implement and administer the Employee Share Option Scheme (“ESOS”) and Employee Share Grant Scheme (“SGS”) under the Long Term Incentive Plan (“LTIP”) of the Company as defined in the By-Laws of the LTIP.

## **7.0 FUNCTIONS AND DUTIES**

- 7.1 With regard to nomination matters:
- a. To review and recommend to the Board for their approval, candidates for all directorship to be filled by the shareholders or the Board;
  - b. To review and recommend to the Board for their approval, directors to fill the seats on Board Committees;
  - c. To review and recommend to the Board for their approval the required mix of skills, experience and other qualities, including core competencies which non-executive directors should to the Board and the contribution of each individual director;
  - d. To review and recommend to the Board for their approval periodically, on the size of the Board, Committee structure, the effectiveness of board meetings and the programme of the Board meeting;
  - e. To review and recommend to the Board for their approval an orientation and education program for new recruits to the Board as an integral element of the process of appointing new directors;
  - f. To assist the Board in discharging their responsibilities relating to, amongst others, compensation strategy, succession planning, management development and other compensation function;
  - g. To review and assess the independence of the Board’s Independent Directors;
  - h. To maintain and review the criteria for annual assessment of directors; and

- i. To consider and examine other matters considers appropriate.

7.2 With regard to remuneration matters:

- a. To review and recommend to the Board for their approval the remuneration packages to be paid to executive directors which includes basic salary, fees, benefits in kind, bonuses and incentives, pension and share option scheme. This includes changes to these contracts;
- b. To review and recommend to the Board for their approval of the Group's Performance-Linked Compensation;
- c. To review and recommend to the Board the remuneration of non-executive directors which shall be a decision of the Board as whole;
- d. To consider other matter relating to the remuneration of or other terms of employment referred to the Committee by the Board;
- e. To demonstrate to the shareholders of the company that the compensation packages for each executive director are set by members who have no personal interest in the outcome of the decisions of the Committee and who will have due regard to the interests of the shareholders;
- f. To endorse the remuneration packages which include the basic salary, bonus, fees, benefits in kind, incentive scheme, pension and share option scheme to be paid to the senior management recommended by the GMD;
- g. To arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.
- h. Exclusion:
  - i) The determination of remuneration packages of non-executive directors, including non-executive chairman should be a matter for the Board as a whole which should reflect their responsibility and commitment. The individuals concerned should abstain from discussion of their own remuneration; and
- i. To consider and examine other matters considers appropriate.

7.3 With regard to Long Term Incentive Plan (LTIP) matters:

*[Unless otherwise defined, terms and expression used herein shall have the same meanings as those defined in Dataprep Holdings Bhd's By-Laws of the LTIP (By-Laws)].*

- a. To administer the LTIP in such manner as it shall in its absolute discretion deem fit, subject always to the provisions of the By-laws of LTIP and generally exercise such powers and perform such acts deemed necessary or expedient in the implementation of the LTIP.
- b. Determine the performance targets which are to be achieved by the Group (and/or such business units within the Group) and the Eligible Person during such period of the LTIP Award.

- c. Determine all questions of policy and expediency that may arise in the administration of the LTIP including amongst others, the terms of the eligibility, the basis, method or manner in which the LTIP is awarded, vested, exercised and any conditions in relation thereto, and the termination and/or cancellation of the award under the LTIP subject always to the terms of the By-Laws and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interests of the Company.
- d. Do all acts and things and issue any notices and letters with regards to the LTIP and enter into any transactions, agreements, deeds, documents or arrangements, construe and interpret the LTIP and LTIP Award granted under it, to define the terms and to recommend to the Board to establish, amend, waive (not inconsistent with the LTIP) and revoke rules and regulations relating to the LTIP and its administration, to give effect to the provisions of the LTIP and/or to enhance the benefit of the LTIP Award to the LTIP Participants, as it may, in its discretion, think fit.
- e. Implement and administer the LTIP in such manner as it shall in its discretion deem fit and within such powers and duties as are conferred upon it by the Board and pursuant to the By-Laws.
- f. To consider and examine other matters considers appropriate.