



ALPHA REIT MANAGERS SDN BHD

NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

1. PURPOSE

The Nomination and Remuneration Committee (the “**Committee**”) shall assist the Board by carrying out the following activities:

- 1.1 ensure that the Board, Board Committees and senior management of the Company retain an appropriate structure, size and balance of skills to support the strategic objectives of the Company and Alpha Real Estate Investment Trust;
- 1.2 review the periodic performance evaluation/assessment of the Board, Board Committees and their respective members, the CEO and Key Officers;
- 1.3 consider and recommend recruitment criteria and succession planning and the revision thereof, as may be necessary; and
- 1.4 ensure that the Company’s Directors, CEO and Key Officers are fairly rewarded for their individual contributions to the Company’s overall performance and the levels of remuneration should be sufficient to attract and retain them to run the Company successfully.

2. MEMBERSHIP

- 2.1 The Committee shall be appointed by the Board of Directors from among their number and shall comprise not fewer than three (3) in number.
- 2.2 The Committee shall consist of exclusively Non-Executive Directors, a majority of whom are Independent Directors.
- 2.3 No alternate director shall be appointed as a member of the Committee.
- 2.4 The members of the Committee shall elect a Chairman from among their number who is not an Executive Director of the Company.
- 2.5 The terms of office and performance of the Committee and each of its members shall be reviewed by the Board of Directors no less than once every three (3) years. However, the appointment terminates when the member ceases to be a Director.
- 2.6 Members of the Committee may relinquish their membership in the Committee with prior written notice to the Company Secretaries and may continue to serve as Directors of the Company.
- 2.7 In the event of any vacancy in the Committee resulting in the number of members being reduced to below three (3), the Board of Directors shall, within three (3) months fill the vacancy.

3. FUNCTIONS

3.1 NOMINATION

3.1.1 Review the structure, size and composition of the Board, Board Committees and senior management of the Company (including skills, knowledge, expertise, experience, age, cultural background, gender and such other appropriate considerations). In this connection, it shall recommend to the Board any changes thereto as the Committee may deem appropriate and identify suitable Directors, CEO and Key Officers for the Company, ensure a proper balance of Non-Executive Directors and Independent Non-Executive Directors for the Board, taking into account, among others, the best practices as set out in the Malaysian Code of Corporate Governance and such other relevant laws and regulations;

3.1.2 Facilitate the conduct and review of the periodic performance evaluation/assessment of:

- (a) the Board as a whole and its members (including the performance evaluation/assessment of the Independent Directors for purposes of their appointment/re-appointment and the assessment of a Director whose tenure exceeds the years as provided in and in accordance with, among others, the statutory and legal requirements as well as the best practices as recommended in the Malaysian Code of Corporate Governance);
- (b) each of the Board's committees as a whole and its members;
- (c) the CEO; and
- (d) the Key Officers,

and shall ensure that the results of the performance evaluation/ assessment are properly documented by the Company and recommended to the Board for consideration, and to review the action plan(s) agreed by the Board and the compliance thereof.

3.1.3 Develop and recommend recruitment criteria for the Directors, CEO and Key Officers and where necessary, the revisions thereof.

3.1.4 Review the duties and responsibilities of the Executive Director(s), CEO, Key Officers and other levels of management.

3.1.5 Assist the Board to review an effective succession planning at Board level (including the future Chairman and Directors), CEO and Key Officers.

3.1.6 Upon listing of the shares of the Company and/or the units of Alpha REIT, to review the performance of the retiring Directors and if deem fit, to recommend their re-election.

3.1.7 Review and recommend suitable training programmes for the Directors of the Company including Board induction and training for new Directors.

3.1.8 Identify and recommend members for the committees of the Board.

3.1.9 Identify and recommend holders of capital markets service representative licence, licensed director(s) and such other representative(s) of the Company, as required by the applicable laws and regulations.

3.1.10 Introduce any policy or guidelines which would enable the smooth administration and effective discharge of the Board Committee's duties and responsibilities (including making charitable contribution).

3.2 REMUNERATION

3.2.1 Recommend to the Board, the remuneration policy framework of the Directors, CEO and Key Officers and to review the framework from time to time to attract and retain individuals of the highest calibre.

3.2.2 Unless otherwise resolved by the Board, to review annually, the Directors' fees taking into consideration the Company profit performance and market factors.

3.2.3 Conduct continued assessment of individual Executive Directors, CEO and Key Officers to ensure that their base salary, remuneration, benefits and compensation are competitive but fair. In this relation, the Committee shall advise on, review, recommend and monitor, suitable performance related formulas/key performance indicators based on individual performance, company profit and growth performance, risk management and compliance, etc. to assist in its assessment.

3.2.4 Obtain the advice and information from external source, if necessary, to compare the base salary, remuneration, benefits and compensation currently earned/enjoyed by the Executive Directors, CEO and Key Officers of the Company with those paid/granted to the executive directors, chief executive officer and key management personnel of other companies of similar size in a comparable industry sector.

3.3 GENERAL

3.3.1 to report a summary of significant matters raised and discussed at the Committee's meetings and the decisions/recommendations/resolutions of the Committee to the Board, followed by the presentation of the detailed minutes to the Board.

3.3.2 perform such functions as delegated by the Board.

4. MEETINGS AND RESOLUTIONS

- 4.1 The Committee shall meet at least once a year. However, additional meetings may be called at any time at the request of any member of the Board or at the discretion of the Committee's Chairman.
- 4.2 The quorum for the meeting shall be two (2) members.
- 4.3 The Committee's meeting shall be presided by the Committee's Chairman, failing him, the remaining members shall appoint from amongst themselves to chair the Committee's meeting.
- 4.4 A member of the Committee shall declare and abstain from participating in the discussions and decisions of the Committee on matters that gives rise to a conflict of interest involving that member.
- 4.5 The Company Secretary or such person as shall be appointed by the members shall act as the Secretary of the Committee. The Secretary shall be responsible, with the concurrence of the Chairman, in drawing up and circulating the notice of meeting setting out the agendas supported by the relevant documents to members prior to such meeting and be entrusted to minute the proceedings and decisions/recommendations at all meetings of the Committee.
- 4.6 The minutes of the Committee's meetings shall be signed by the chair to signify the true and correct record of the Committee's meetings.
- 4.7 The Committee may pass a resolution of the Committee either by way of a written resolution or at a meeting of the Committee. The written resolution recording the decision made and signed by the majority of the Committee members is valid and effective as if it were a resolution duly passed at a meeting of the Committee. Any such resolution may consist of several documents in like form, each signed by one or more of the Committee's members, and shall be as valid and effectual as if it were a resolution duly passed at a meeting of the Committee. Any such documents may be accepted as sufficiently signed by a member of the Committee if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the said member.

As approved by the Board of Directors on 23 October 2020.

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