

**CLASSIC SCENIC BERHAD (633887-M)**

**NOMINATION AND REMUNERATION COMMITTEE**

**TERMS OF REFERENCE**

**1. COMPOSITION**

The Nomination and Remuneration Committee ("Committee") shall be appointed by the Board from among their members and shall be composed exclusively of Non-Executive Directors of not fewer than three (3) members, a majority of whom must be independent. The Board shall review the term of office of the Committee members no less than once every three (3) years.

**2. CHAIRMAN**

The Chairman shall be identified by the Board. In the absence of the Chairman, the members present shall elect one of their numbers to chair the meeting. In the event of equality of votes, the Chairman shall have a casting vote.

**3. MEETINGS**

The Committee shall meet at least once a year. However, additional meetings may be called at any time at the Committee Chairman's discretion.

The quorum of meeting shall be a majority of members present.

**4. OBJECTIVES**

The objectives of the Committee are:-

- (i) Proposing new nominees for the Board and for assessing the existing Directors on an on-going basis. The ultimate decision as to who shall be appointed should be the responsibility of the full board after considering the recommendation of the Committee; and
- (ii) Recommend to the Board the remuneration of the Executive Directors in all its forms, drawing from outside advice as necessary.

**5. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Committee shall be:-

- (a) To consider, evaluate and recommend to the Board any new board appointments. In making a recommendation to the Board on the candidate for directorship, the Committee shall have regard to:
  - (i) Size, composition, mix of skills, experience, competencies and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board and Group;
  - (ii) The candidate's skills, knowledge, expertise and experience, professionalism, integrity and, in the case of a candidate for the position of Independent Non-Executive Director, the independence criteria as set out in paragraph 1.01 of the Main Market Listing Requirements as well as the

necessary skill and experience to bring an independent and objective judgement on issues considered by the Board and the ability to discharge such responsibilities as expected from Independent Non-Executive Directors;

- (iii) The appropriate number of Independent Directors to fairly reflect the interests of the minority shareholders and that Independent Directors should make up at least one-third of the membership of the Board.
- (b) To recommend to the Board, Directors to fill the seats on Board Committees;
- (c) To review annually and recommend to the Board with regard to the structure, size, balance and composition of the Board and Committees including the required mix of skills and experience, core competencies which non-executive directors should bring to the Board and other qualities to function effectively and efficiently;
- (d) To evaluate on an annual basis, the effectiveness of the Board as a whole, the Board Committees and each Director's ability to contribute to the effectiveness of the Board and the relevant Board Committees;
- (e) To recommend to the Board whether Directors who are retiring by rotation should be put forward for re-election/re-appointment at annual general meetings;
- (f) To review the Board's succession plans;
- (g) To review and recommend training to new Directors as well as continuous training for all Directors during the year; and
- (h) To recommend to the Board the remuneration of the Executive Chairman, Managing Director and Executive Directors.
- (i) To ensure that a fair differential between the remuneration of Board members and other levels of management is maintained.
- (j) To conduct continued assessment of individual Executive Directors to ensure that the remuneration is directly related to corporate and individual performance.
- (k) To obtain the advice and information from external source, if necessary, to compare the remuneration currently earned by the Executive Directors and those paid to Executive Directors of other companies of a similar size in a comparable industry sector.
- (l) To ensure that the base salary element is competitive but fair and to provide an objective and independent assessment of the benefits granted to Executive Directors.
- (m) To consider other matters as referred to the Committee by the Board.

## **6. APPROACH**

The Committee adopts the principles recommended by the Malaysian Code on Corporate Governance in determining the Directors' remuneration, whereby, the Executive Directors' remuneration is designed to link rewards to the Group's performance, and the achievement of the goals, including quantified organisational targets, key performance index and/or personal achievement.