

TERMS OF REFERENCE OF THE REMUNERATION & NOMINATION COMMITTEE

1. PURPOSE AND GOVERNANCE PHILOSOPHY

- 1.1 The Board of Directors ("Board") of Ancom Nylex Berhad ("ANB" or "Company") is ultimately accountable for the composition, renewal and effectiveness of the Board and its committees, for the fairness and competitiveness of the remuneration of Directors and key senior management, and for ensuring that leadership succession is planned well ahead of need. That accountability is not delegated.
- 1.2 The Board establishes the Remuneration & Nomination Committee ("R&N Committee" or "Committee") to exercise focused oversight, on its behalf, of Board composition, Director and key senior management appointments, succession planning, and remuneration policy and practice across the Company and its subsidiaries ("Group"). The Committee's role is to bring an independent, considered view to these matters and to make recommendations to the Board; final decisions on appointment, removal and remuneration remain with the Board.
- 1.3 The Committee's effectiveness rests on independence of mind, an objective assessment of skills, experience and character, and a willingness to raise with the Board any concern as to composition, succession or remuneration that is not satisfactorily addressed. These Terms of Reference are to be read and applied with that intent, and are not to be treated as an exhaustive checklist limiting the Committee's enquiry.
- 1.4 These Terms of Reference are guided by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and the Malaysian Code on Corporate Governance ("MCCG").

2. OVERSIGHT MANDATE

- 2.1 The Committee assists the Board by providing oversight of:
- (a) the structure, size, composition and required mix of skills, knowledge, experience, diversity and core competencies of the Board and its committees;
 - (b) succession planning for the Board, Board committees, the Executive Vice Chairman ("EVC"), the Managing Director / Group Chief Executive Officer ("GCEO") and key senior management positions;
 - (c) the identification, assessment and nomination of candidates for appointment to the Board and Board committees;
 - (d) the annual evaluation of the effectiveness of the Board, its committees and individual Directors, and the annual assessment of the independence of Independent Directors;
 - (e) the training and development needs of Directors, including in respect of digital transformation, artificial intelligence ("AI"), sustainability, governance and risk management;
 - (f) recommendations to the Board on the retirement and re-election of Directors, and on candidates for key senior management positions;
 - (g) the remuneration policy and practice of the Company and its subsidiaries in respect of Non-Executive Directors, Executive Directors and key senior management; and
 - (h) the terms of any incentive plan, including the Executive Share Option Scheme, applicable to Executive Directors.
- 2.2 Where a matter falls within the remit of both the Committee and another Board committee, the Committee shall coordinate with that committee so that the matter is properly covered without duplication or gap, and shall report to the Board on how it has been dealt with.

3. COMPOSITION

- 3.1 The Committee shall be appointed by the Board from among its members and shall comprise no fewer than three members, all of whom must be Non-Executive Directors, with a majority being Independent Directors as defined in the Listing Requirements.
- 3.2 The Chairman of the Board shall not be a member of the Committee.
- 3.3 The Board shall appoint as Chairman of the Committee ("Chairman") a member who is an Independent Non-Executive Director, to ensure the overall effectiveness and independence of the Committee.
- 3.4 A member who ceases to be a Director ceases to be a member of the Committee. Where a vacancy reduces the Committee below three members, the Board shall fill the vacancy within three months.
- 3.5 All members of the Committee, including the Chairman, shall hold office until otherwise determined by the Board.

4. AUTHORITY

- 4.1 In discharging its responsibilities the Committee has, at the Company's cost:
 - (a) explicit authority to investigate any matter within these Terms of Reference;
 - (b) the resources required to perform its duties;
 - (c) full and unrestricted access to any information pertaining to the Group; and
 - (d) authority to obtain external professional or other advice, and to invite any Director, member of Management or external professional adviser to attend its meetings, where necessary.
- 4.2 The Committee's authority is exercised as a committee. An individual member has no authority to act alone in the name of the Committee except as expressly delegated by it.

5. RESPONSIBILITIES

A. Nomination matters

- 5.1 Review annually the structure, size, required mix of skills, knowledge, experience, diversity and other qualities, including core competencies and effectiveness, of the Board and Board committees as a whole, and make recommendations to the Board on any proposed change.
- 5.2 Oversee and periodically review a structured and forward-looking succession planning framework for the Board, Board committees, the EVC, the MD/GCEO and key senior management positions, ensuring alignment with the Group's strategic direction, transformation priorities and long-term sustainability objectives.
- 5.3 Assess the current and future skillset requirements of the Board, including competencies in digital transformation, AI, sustainability, governance and risk management, and recommend appropriate training programmes.
- 5.4 Identify and nominate, for the Board's approval, candidates to fill vacancies on the Board and Board committees as and when they arise.
- 5.5 Evaluate and appraise annually the performance of the Board and each Board committee, and the contribution of each Director, having due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required.
- 5.6 Assess annually the independence of Independent Directors in accordance with the Listing Requirements.

- 5.7 Assess the current skillset and training needs of Directors, and recommend suitable orientation, educational and training programmes so that existing and new Directors can keep themselves abreast of changes in relevant laws, regulations and commercial risk.
- 5.8 Make recommendations to the Board on candidates it considers appropriate for appointment to key senior management positions.
- 5.9 Recommend to the Board the retirement and re-election of Directors pursuant to the Company's Constitution, having due regard to the current composition of the Board, the retiring Director's tenure and performance, ability to continue to contribute to the Board in light of the knowledge, skills and experience required, and the criteria stipulated in the Directors' Fit and Proper Policy.

B. Remuneration matters

- 5.10 Ensure that the Company maintains remuneration and incentive policies and practices that are competitive, equitable and that will attract and retain good Directors within the Company and its subsidiaries, consistent with the Company's long-term interest.
- 5.11 Review and recommend to the Board, having regard to performance and such other factors as the Committee considers appropriate against the agreed benchmark, the remuneration of Non-Executive Directors, Executive Directors and the key senior management of the Company and its subsidiaries.
- 5.12 Review and recommend to the Board the terms and conditions of incentive plans applicable to Executive Directors, including participation of eligible Executive Directors in the Executive Share Option Scheme or other incentive plans.
- 5.13 Select and appoint any remuneration consultant advising the Committee, set that consultant's terms of reference, and consider any other connection the consultant may have with the Company.

C. Other responsibilities

- 5.14 Consider any other matter, and carry out such other responsibility, function or assignment, as may be delegated by the Board.

6. RELATIONSHIP WITH MANAGEMENT

- 6.1 The EVC, the MD/GCEO, other Directors and/or members of Management, and relevant advisers, shall be invited to attend a meeting of the Committee where the Chairman considers this necessary. Attendance by any person other than a Committee member is by invitation only and specific to the meeting concerned.

7. MEETINGS AND PROCEEDINGS

- 7.1 The Committee shall meet at least once each year, or as often as the Board directs, or upon the request of any member of the Committee, or at the Chairman's discretion, to fulfil its responsibilities.
- 7.2 The quorum for a meeting is two members, both of whom must be Independent Directors.
- 7.3 The agenda and meeting papers shall be circulated to all members, and to any other person required to attend, at least seven days before the meeting, unless that requirement is waived by the members at the meeting.
- 7.4 Each member has one vote. Decisions are made by a majority of votes. In the case of an equality of votes, the Chairman, or in the Chairman's absence the member chairing the meeting, has a second and casting vote.

- 7.5 A member shall not participate in the discussion of, nor vote on, any matter in which the member has an actual or perceived conflict of interest, including in relation to that member's own remuneration.
- 7.6 A resolution in writing signed or approved by electronic means by a majority of the members is as effective as a resolution passed at a duly convened meeting, and may consist of several documents in like form, each signed by one or more members.
- 7.7 One of the Company Secretaries shall be the Secretary of the Committee. The Secretary, in consultation with the Chairman, shall settle the agenda for each meeting and shall be responsible for keeping proper records of the Committee's minutes and resolutions.
- 7.8 The Secretary shall minute the proceedings and resolutions of every meeting. Minutes confirmed at a subsequent meeting and signed by the Chairman of the meeting at which the proceedings were held, or by the Chairman of the next succeeding meeting, shall be a correct record of the proceedings. Minutes shall be kept by the Secretary and are open to inspection by any member of the Committee or of the Board.

8. REPORTING

- 8.1 The Chairman shall report to the Board on the proceedings of each meeting and on all matters within the Committee's responsibilities, and the Committee shall make such recommendations to the Board as it considers appropriate in any area within its remit where action or improvement is needed. Minutes of Committee meetings shall be tabled to the Board for notation.
- 8.2 The Committee shall prepare a Remuneration & Nomination Committee Report on the activities carried out in discharging its duties and responsibilities during the financial year, for inclusion in the Company's annual report.
- 8.3 The Chairman shall attend the general meetings of the Company to provide explanations and to respond to questions relating to the Committee's activities, including board composition, evaluations and appointments.

9. REVIEW AND PUBLICATION

- 9.1 These Terms of Reference shall be reviewed at least once every three years, and whenever there is a material change in the applicable law, regulation or guidance, or in the circumstances of the Group. Any amendment is subject to the approval of the Board.
- 9.2 These Terms of Reference shall be made available on the Company's website at www.ancomnylex.com.

DOCUMENT CONTROL

Document	Terms of Reference of the Remuneration & Nomination Committee
Owner	Remuneration & Nomination Committee
Approved by	Board of Directors
Date of approval	29 September 2026
Supersedes	Terms of Refence of the Remuneration & Nomination Committee dated 11 July 2024