

CELCOMDIGI BERHAD (FORMERLY KNOWN AS DIGI.COM BERHAD) ("CELCOMDIGI")

TERMS OF REFERENCE BOARD NOMINATION AND REMUNERATION COMMITTEE

1.0 PURPOSE

The purpose of the Board Nomination and Remuneration Committee (**BNRC**) as a committee of CelcomDigi (the **Company**) is to assist the Board of Directors (the **Board**) in remuneration, appointments and succession planning of the Board and Senior Management. The BNRC oversees the assessment and evaluation of suitable and qualified candidates who meet the criteria and needs of the Company and its subsidiaries (the **Group**) for recommendation to be appointed by the Board. The BNRC reviews and recommends the remuneration and benefits packages for the Board and Senior Management

In carrying out this purpose, the BNRC shall periodically review the performance and effectiveness of the Board and each Board Committee as well as Senior Management in addressing the Group's material sustainability risks and opportunities.

The BNRC is tasked to ensure that the composition of the Board is refreshed periodically and re-election of Directors shall be based on satisfactory evaluation of each Director's performance and contribution to the Board.

2.0 COMPOSITION AND APPOINTMENT

2.1 The BNRC members shall be appointed by the Board amongst their members and shall compose of not lesser than 3 members. All of whom:-

- i. All must be Non-Executive Directors;
- ii. A majority are Independent Non-Executive Directors; and
- iii. All must not be the Chair of the Board

2.2 Members of the BNRC may relinquish their membership in the BNRC with prior written notice to the Company Secretary and may continue to serve as Director of the Company. In the event of any vacancy in the BNRC, the Company must fill the vacancy within three (3) months.

2.3 The Chair of the BNRC shall be appointed by the Board.

2.4 The Board, may from time to time and in its absolute discretion, review the composition of the BNRC and its roles and responsibilities.

3.0 PRINCIPAL ROLES AND RESPONSIBILITIES

3.1 The BNRC has the role of leading the succession planning and appointment of Board members of the Group, and oversees the development of a diverse pipeline for Board and Senior Management's succession, including the future Chair, Deputy Chair, CEO and DCEO.

3.2 The BNRC also has the role to lead the annual review of Board effectiveness, ensuring that the performance of the Board, each individual Director and the Chair of the Board are independently assessed.

3.3 The BNRC's policies and procedures remain flexible to change in circumstances and conditions that are in compliance with legal and regulatory requirements but will generally have the responsibilities below. In carrying out the BNRC's roles and responsibilities, the BNRC will be provided with the resources and have full, free and unrestricted access to any information, records, properties and personnel of the Company and within the Group.

3.4 Based on the Board approved Fit and Proper Policy which may be recommended by the BNRC for further amendment from time to time and as published on the Company's website (**F&P Policy**), the BNRC shall be responsible in refreshing the Board composition by periodically

proposing potential/new candidates to the Board using the following criteria to assess the suitability of the candidates prior to recommending to the Board for appointment or for purposes of the reappointment of existing Directors:-

- i. Diversity of the Board, in skills, experience, age, cultural background and gender based on the Group's Diversity Policy.
 - ii. Probity, personal integrity, financial integrity and reputation, where the candidate must have personal qualities such as professionalism, honesty, integrity, diligence, independence of mind and fairness. The candidate/Director must manage his/her debts or financial affairs prudently.
 - iii. Experience and Competence, where the candidate/Director must have the skills, working experience, capability and commitment necessary to carry out the role.
 - iv. Time and commitment, where the candidate/Director is able to devote time as a Director, participate and contribute in the Board.
- 3.5 The process for identifying and nominating new candidates for appointment as a Director or existing Directors for reappointment entails the following steps:
- i. Identification of skills required or which are relevant
 - ii. Selection/assessment of candidates/Directors
 - iii. "Fit and suitable" assessment based on criteria above and the F&P Policy.
 - iv. Interaction with candidate(s)/Directors(s)
 - v. BNRC's deliberation and confirmation that the recommended candidate/Director is fit and suitable for the Board in new/existing role
 - vi. Recommendation by BNRC for the Board's approval
 - vii. Decision by Board on recommended appointment/reappointment
- 3.6 The BNRC shall facilitate and review the Directors' orientation/induction and internal and external training programmes annually to continuously train and equip the existing and new Directors and to ensure a statement is made in the Integrated Annual Report by the Board containing a brief description of the training attended by each Director during the financial year and also provide a report on the BNRC's application of the F&P Policy in the appointment and reappointment of the Directors.
- 3.7 The BNRC may utilise independent sources to identify suitably qualified candidates. If the selection of candidates was based on recommendations made by existing Directors, Senior Management or Major Shareholders, the BNRC should explain why these source(s) suffice and other sources were not used.
- 3.8 The BNRC shall recommend to the Board, candidate(s) to fill the seats on Board Committees.
- 3.9 The BNRC shall recommend and/or approve candidates for Senior Management positions in the Group based on (i)objective criteria; (ii)merit; and (iii)with due regard for diversity in skills, experience, age, cultural background and gender.
- 3.10 The BNRC shall ensure that for the Senior Management recommended, there are measures in place to provide for the orderly succession of the Board and Senior Management
- 3.11 The BNRC shall review and assess the independence of Independent Non-Executive Directors. The tenure of an Independent Non-Executive Director should not exceed a cumulative term of twelve (12) years. The Board may re-appoint an independent director who has served 12 years in the past if such person has observed the requisite 3-year cooling-off period, as well as satisfies all the independence criteria as mentioned in the Listing Requirements.
- 3.12 The BNRC shall perform an annual review of the Board's performance and including an evaluation of the individual Director's independence, integrity, core competencies to bring to the Board, willingness and ability to critically challenge and ask the right questions as well as the Board's and each Board Committee's roles and functions, appropriate composition i.e.

mix of skills, gender, experience, size and other qualities.

- 3.13 Based on the F&P Policy, the BNRC shall determine and implement the process of evaluations of the effectiveness of the Board as a whole, Board Committees and individual Directors, including Independent Non-Executive Directors as well as Senior Management and report to the Board its findings and recommendations.
- 3.14 The BNRC may engage independent experts at least every 3 years to facilitate an objective and candid Board evaluation.
- 3.15 The BNRC shall recommend to the Board for approval, the remuneration policy and structure of the Board and Senior Management, drawing advice from professional consultants, if required.
- 3.16 The BNRC shall amongst others:-
- (a) define the terms of the Executive Share Grant Plan (**ESGP**) By-Laws (**By-Laws**) (including any terms relating to the methods of satisfaction of any grants made pursuant to the ESGP) and recommend to the Board to establish, amend and/or revoke rules and regulations relating to the ESGP in a manner and to the extent it is deemed necessary or expedient to promote the best interests of the Company; and
 - (b) administer the ESGP, with due regard to its powers and authority as set out in the By-Laws as may be amended from time to time.
- 3.17 The Board has ultimate responsibility for nomination and remuneration matters of the Group, with the support and assistance from the BNRC.
- 3.18 The Company Secretary (or its representative) of the Company shall be the Secretary of the BNRC and attend BNRC meetings. The Secretary of BNRC is responsible for keeping and circulating the minutes of meetings to the BNRC and Board.

4.0 MEETINGS

4.1 Quorum

The BNRC is not a decision-making body unless power to do so has been specifically and unanimously delegated by the Board. In such cases, a minimum of two (2) BNRC members must be present at each BNRC Meeting to form a quorum. In the absence of the Chair, the members shall elect a Chair for the meeting from amongst themselves.

Where only two (2) members are competent to vote on the question in issue and there is equality in vote, the resolution shall be deemed not to have been passed, whereupon the question in issue shall be tabled at the next meeting of the BNRC or referred to the Board, whichever is more expedient.

4.2 Conduct of Meetings

- i. The BNRC shall meet at least two (2) times in a year, such additional meetings shall be held as and when the BNRC or the Chair of the BNRC shall decide, all of which must be conducted separately from the Board Meeting and any other Board Committee Meetings.
- ii. The BNRC meetings shall be governed by the provisions of the Company's Constitution relating to Board meetings unless otherwise provided for in this Terms of Reference. The BNRC may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.
- iii. The BNRC members shall participate in meetings either physically or via video or telephone conference. In the event the Chair deems it acceptable, considering the matter and circumstances at hand, the BNRC may adopt resolutions by written procedure and such written resolutions require the acceptance in writing by all members of the BNRC, except for any interested member(s) who has to abstain and

shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him/her.

4.3 Notice and Agenda

- i. The notice and agenda for each BNRC meeting with due notice of the issues to be discussed shall be sent to all members of the BNRC and any other persons who may be required to attend.
- ii. The Chair of the BNRC shall report to the Board on any matter that should be brought to the Board's attention and provide recommendations of the BNRC that requires the Board's approval at the Board meeting.
- iii. The BNRC may invite any member of Senior Management, any representative of external consultants/other advisers, other members of the Board and any other persons as deemed necessary by the BNRC to be present at any meeting of the BNRC.

5.0 ANNUAL REVIEW OF THE BNRC EFFECTIVENESS

- 5.1 The BNRC shall perform a self-assessment annually to assess its effectiveness in carrying out the duties as set out in the Terms of Reference and report the results to the Board.
- 5.2 The BNRC shall review the terms of office, composition, performance and effectiveness of the BNRC and each of its members annually to determine the effectiveness of the BNRC and each of its members in carrying out the duties as set out in the Terms of Reference.
- 5.3 The BNRC shall review the appropriateness and adequacy of this Terms of Reference. The BNRC shall recommend to the Board such changes to this Terms of Reference in such manner as the BNRC deems appropriate. Any revision or amendment to this Terms of Reference, as proposed by the BNRC, shall first be presented to the Board for its approval. Upon the Board's approval, the said revision/amendment shall form part of this Terms of Reference and shall be considered as duly revised/amended

6.0 APPROVAL

This Terms of Reference was reviewed and approved by the Board of Directors on 17 August 2023.