

## **Terms of Reference of Nomination and Remuneration Committee**

### **1. MEMBERSHIP**

All the members of the Committee shall comprise exclusively of Non-Executive Directors and a majority of whom must be Independent Director. The Committee shall comprise of at least three (3) members in total.

The Chairman of the Board should not be a member of the Committee.

### **2. CHAIRMAN**

The Chairman of the Committee shall be an Independent Non-Executive Director appointed by the Board of Directors (“Board”).

### **3. DUTIES**

- i) To recommend to the Board, candidates for the Board and Board Committees and to review the policies and procedures for nomination and selection of the Board members. In making the recommendations, the Committee should consider seeking professional advice from independent search firms as and when it considers necessary to identify a short-list of suitable candidates. The Committee should also consider the list of candidates proposed by the Managing Director, and within the bounds of practicability, by any other Senior Executive, Director or shareholder and to evaluate the suitability of candidates based on the following factors:
  - skills, knowledge, expertise and experience;
  - professionalism and integrity;
  - commitment (including time commitment) to effectively discharge his/her role as Director and contribution;
  - background, character, integrity and competence;
  - boardroom diversity including gender, age and ethnicity diversity; and
  - in the case of candidates for the position of Independent Non-Executive Director, the Committee shall also evaluate the candidates’ ability to discharge such responsibilities/functions as are expected from an Independent Non-Executive Director. An Independent Director shall be a person who is not, and has not been within the last 3 years, an officer (except as an independent director) of the said

Corporation. For this purpose, “officer” has the meaning given in Section 2 of the Companies Act 2016.

- ii) To recommend to the Board on the change in the composition of the Board Committees;
- iii) To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors;
- iv) To review annually the required mix of skills and experience of the Board, including the core competencies that Non-Executive Directors should bring to the Board;
- v) To assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director including his/her time commitment to effectively discharge his/her role as a Director and thereafter to recommend the annual re-election of the Directors to the Board for the shareholders’ approval at the Annual General Meeting;
- vi) To assess the fit and proper criteria for the recruitment or appointment of Director (including re-election/ re-appointment) based on the followings:
  - compatibility within the overall composition of the Board to match the profile and activities of the Company;
  - willingness to act or continue to act as a Director of the Company after being made aware of his/her responsibilities as a Director;
  - the Director is or willing to be familiar with the Company’s business activities and its operating environment;
  - the Director has the ability to attend board meetings, either physically or virtually, based on the form of participation required;
  - the multiple directorships of the Director do not result in a conflict of interest with the Company, puts the Director in a position where commercially sensitive information could be misused against the Company or cause the Director to be unable to provide the required time commitment to the Company;
  - The Director is not a director or shareholder of an entity in countries that are classified as high risk under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001

Terms of Reference of Nomination and Remuneration Committee

---

- No active politician shall be appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director. A person is considered an “active politician” if he is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.
- vii) To engage a professional, experienced and independent party to facilitate the Board’s effectiveness evaluation as well as Board’s remuneration review once every three years, if necessary;
- viii) To assess annually the independence of Independent Directors;
- ix) To ensure that measures have been put in place for the orderly succession of the Board and Key Senior Management through succession planning.
- x) To review and recommend training and orientation needs or requirements for each individual Director and to disclose details in the Annual Report and Corporate Governance Report; and
- xi) To assess annually the term of office and performance of the Audit and Risk Management Committee and each of its members to determine whether such Committee and its members have carried out their duties in accordance with Terms of Reference.
- xii) To assist the Board in developing and administering a fair and transparent procedure in determining the remuneration of Directors and Key Senior Management. Remuneration packages upon evaluating the Directors’ and Key Senior Management’s merit, qualification, competence, experience and level of responsibilities and upon consideration of the Company’s operating results, individual performance and comparable market statistics information;

Key Senior Management shall refers to the AEON Leadership Council (“ALC”) comprising of the following :

- a.) Chief Executive Officer
- b.) Chief Operating Officer
- c.) Chief Governance Officer
- d.) Chief Human Resources Officer
- e.) Chief Financial Officer
- f.) Chief Property Officer
- g.) Chief entrepreneurial Commerce Officer
- h.) Chief Merchandising Officer
- xiii) To recommend to the Board the remuneration of the Executive Directors and Key Senior Management in all forms and to review the remuneration policies and procedures of the Executive Directors and Key Senior

Management. Executive Directors should play no part in deciding their own remuneration. The determination of remuneration packages of Non-Executive Directors, including Non-Executive Chairman should be a matter for the Board as a whole. The individuals concerned should abstain from discussion of their own remuneration;

- xiv) To review and consider the adoption of the Holding Company's employee compensation plan when determining the remuneration of its Executive Directors including its Managing Director;
- xv) To recommend to the Board any performance related pay schemes or Directors fees for Executive Directors (if any);
- xvi) To consider and review the disclosure requirement on remuneration of Directors and Key Senior Management in the Annual Report and Corporate Governance Report.
- xvii) To review and recommend the fees of the Directors and any benefits payable to the Directors including any compensation for loss of employment of a Director or former Director of the Company to the Board for the shareholders' approval at the Annual General Meeting. Directors who are shareholders should abstain from voting at general meetings to approve their fees.
- xviii) To consider all other related matters as may be requested by the Board from time to time;
- xix) The Chairman of the Committee or in his absence, another member of the Committee shall attend the Annual General Meeting of the Company and to answer questions relating to the Committee's works and responsibilities.

#### 4. MEETING

- i) The quorum of the Committee shall be at least two (2) members. In the absence of Chairman, the members present shall elect a Chairman for the meeting from among the members present.
- ii) The Committee shall meet at least once a year. Additional meetings shall be held as and when the Committee or the Chairman of the Committee decide. The Committee meetings shall be governed by the provisions of the Company's Articles of Association relating to Board meetings unless otherwise provided for in this Terms of Reference. The Committee may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.

- iii) The Committee may request other Directors, members of Board Committees, Management, counsels and consultants where applicable and necessary to participate in the meetings, to assist in carrying out the Committee's responsibilities, provided, however, that no Director shall be entitled to vote at such meetings or be counted as part of the quorum for any meeting of the Committee unless he or she is a member of the Committee.
- iv) A member of Committee may participate in a meeting by means of telephone conference or video conference or any other means of audio-visual communications and the member shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- v) The notice and agenda for each Committee meeting shall be sent to all members of the Committee and any other persons who may be required to attend the meeting within a reasonable period prior to the meeting.
- vi) The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities as well as on any other matter that should be brought to the Board's attention and provide recommendations of the Committee for matters that require Board's approval at the Board meeting.
- vii) The Committee shall regulate the manner of proceedings of its meetings, having regard to normal conventions on such matter. A resolution in writing, signed by all members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more committee members.

## 5. MINUTES

The Company Secretaries shall be the Secretary of the Committee. The minutes of meetings of the Committee shall be properly produced by the Secretary of the Committee and circulated to all members of the Committee within a reasonable period prior to the meeting.

The minutes of meetings shall be kept at the registered office and opened for inspection by the Board if required.

## **6. REVISION OF TERMS OF REFERENCE**

This Terms of Reference shall be reviewed as and when necessary.

A copy of this Term of Reference is uploaded onto the Company's website.

Revised on 27 August 2021.