PECCA GROUP BERHAD

TERMS OF REFERENCE FOR NOMINATION AND REMUNERATION COMMITTEE

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1. OBJECTIVES

The Nomination and Remuneration Committee of Pecca Group Berhad (the "Company") were merged and streamlined by the Board of Directors ("Board") into a single Nomination and Remuneration Committee ("NRC" or "Committee").

The primary objective of the NRC is to establish a documented, formal and transparent procedure to support and advise the Board of Pecca in fulfilling their responsibilities to shareholders with the following primary objectives:-

(a) in fulfilling their responsibilities in overseeing the selection and also assessment of the performance of the Directors and Senior Management on an on-going basis; and

(b) with reviewing the remuneration framework, policy and procedures for Directors and Senior Management and to recommend the remuneration package to the Board as a whole for approval, with each Director concerned abstaining from any decision as regards his remuneration.

(c) to set policy and remuneration framework for employees of Pecca Group.

For the avoidance of doubt, "Senior Management" shall comprise the Chief Executive Officer(s) and such other key management personnel as may be identified and recommended by the NRC and approved by the Board from time to time. The scope of the NRC's oversight and involvement in relation to Senior Management shall be determined by the Board, taking into consideration the recommendations of the NRC and the Chief Executive Officer(s).

In fulfilling its primary objectives, the Committee shall undertake, amongst others, the following duties and responsibilities:

Nomination Functions

- to establish an appropriate selection criteria and processes, recruitment process and to recommend to the Board, candidates for all directorships of the Company and its subsidiaries ("the Group") and members of the relevant Board Committees.

  In identifying and assessing candidates for appointment as Directors, the Committee shall consider, among others, the following criteria:

  (i) qualifications, knowledge, expertise and relevant experience;

  (ii) skills, competencies and personal qualities;

  (iii) integrity, honesty, professionalism and reputation;

  (iv) fit and proper considerations;

(v) independence and potential conflicts of interest;

(vi) time commitment and ability to discharge the responsibilities of a Director effectively;

(vii) existing directorships and other commitments;

(viii) diversity in terms of gender, age, cultural background, skills, experience and professional background; and

(ix) such other factors as the Committee may consider appropriate from time to time.

the final decision regarding the nomination of candidates shall be made by the full Board after considering the recommendations of the Committee.

Assess the performance of each Director, including the Independent Non-Executive Directors, Group Managing Director ("Group MD"), Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), taking into consideration their experience, knowledge, integrity, credentials, effectiveness and contribution in discharging their obligations and duties as a Board member of the Company.

Evaluate the ability of each Director, including the Group MD, CEO and CFO, to contribute effectively to the Board's deliberations and decision making processes, and to ensure that the Board functions actively, efficiently and effectively in carrying out its responsibilities.

- Review and assess the independence of Independent Directors on an annual basis, and whether an Independent Director who has served for a cumulative term of more than nine years should continue to be designated as an Independent Director, taking into consideration the applicable provisions of the Malaysian Code on Corporate Governance and Bursa Malaysia Listing Requirements.

- Assess the effectiveness, size, composition and overall performance of the Board and its committees.

- Promote an appropriate balance of skills, experience, gender, age, diversity, independence and professional background on the Board to support effective governance and decision-making.

- establish, oversee and periodically review an appropriate succession planning framework for the Board, Group CEO, Executive Directors and Senior Management, with the objective of ensuring leadership continuity, maintaining an effective management pipeline, and supporting the long-term sustainability and performance of the Group.

- Conduct fit and proper assessments for the appointment, re-election and re-appointment of Directors, as well as assess the suitability of proposed Senior Management personnel, ensuring that they satisfy the requirements of the Company's Fit and Proper Policy, are not disqualified under the Companies Act 2016, and appropriately disclose and manage any actual, potential or perceived conflicts of interest.

- Ensure that appropriate induction, orientation and continuous professional development programmes are provided for Directors, and shall review annually their training needs and participation in training programmes to enhance their effectiveness and enable them to keep abreast of regulatory, governance, industry and business developments relevant to the discharge of their duties and responsibilities.

- Review and assess the effectiveness of the Board and Senior Management in overseeing the Group's material sustainability matters, including sustainability-related risks, opportunities, strategies and targets.

- Recommend to the Board the appointment, cessation, suspension, dismissal and other staff movements involving key Senior Management personnel.

- Oversee the Company's compliance with the Malaysian Code on Corporate Governance, Bursa Malaysia Listing Requirements and other applicable laws and regulations.

Remuneration Functions

- Establishment and review of remuneration policies and practices for Directors and key senior management;

- Ensuring remuneration arrangements attract, retain and motivate high-calibre Directors and senior management;

- Aligning remuneration with corporate performance, long-term shareholder value creation, sustainability objectives and prudent risk management; and

- review and recommend to the Board the remuneration packages of the Group CEO, Executive Directors and Senior Management, including salaries, fees, bonuses, allowances, incentives, share-based awards and other benefits, ensuring that remuneration is aligned with the Company's remuneration policy.

- ensure fees and benefits payable to Directors, and any compensation for loss of employment of Executive Directors are approved by shareholders at general meetings of the Company.

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2. COMPOSITION

2.1 Membership

- The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three (3) members, all of whom shall be Non-Executive Directors, with a majority being Independent Non-Executive Directors.

- If the membership for any reason falls below three (3) members, the Board shall, within three (3) months of that event, appoint such number of new members as may be required to fulfil the minimum requirement.

- No Alternate Director shall be appointed as a member of the Committee.

2.2 Chairman

- The Chairman of the Committee shall be an Independent Non-Executive Director or the Senior Independent Non-Executive director appointed by the Board.

- In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present to chair the meeting.

2.3 Appointment and Cessation

- Members shall be appointed by the Board and shall hold office until otherwise determined by the Board.

- The Board may remove and replace any member of the Committee at any time.

- A member of the Committee shall automatically cease to hold office as a member upon ceasing to be a Director of the Company or as otherwise determined by the Board.

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3. SECRETARY

The Company Secretary shall act as Secretary to the Committee and shall be responsible for maintaining records, preparing minutes and monitoring follow-up action items arising from Committee meetings.

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4. MEETINGS

4.1 Frequency and Meeting Procedures

- The Committee shall meet at least once (1) a year.
- Additional meetings shall be held at the request of the member of the Committee.
- The Chairman of the Committee shall convene special meeting of the Committee to consider any matter brought up by the member.
- Meetings shall be summoned by the secretary of the Committee
- Agenda and meeting papers shall be circulated to all members within five (5) days before each meeting.

4.2 Quorum

The quorum shall be two (2) members, the majority of whom shall be Independent Non-Executive Directors.

4.3 Attendance

The Committee may invite:

- The Group Managing Director;
- Chief Financial Officer;
- Head of Human Resource;
- Other members of senior management; and
- External advisers or consultants,

to attend meetings where appropriate.

A member of the Committee shall abstain from deliberation and voting on any matter concerning his or her own appointment, performance evaluation, remuneration, re-election or continuation in office.

4.4 Meeting Participation

Meetings may be conducted physically or through teleconference, videoconference or any other communication technology which enables all participants to communicate effectively.

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5. AUTHORITY

The Committee is authorized by the Board to undertake the specific duties and responsibilities sated below. The Committee shall have unrestricted access to information, records, management and employees of the Group necessary to perform its duties.

The Committee is also authorized to obtain external legal or other independent professional advice, as it considers necessary.

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6. REPORTING TO THE BOARD

The Chairman of the Committee shall report to the Board on matters considered by the Committee and make recommendations for Board approval.

The minutes of all Committee meetings shall be circulated to the Board for notation.

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7. REVISION OF THE TERMS OF REFERENCE

The terms of reference shall be assessed, reviewed, updated from time to time when necessary and recommend the revised terms of reference to the Board for approval.