1. Introduction

1.1 The Terms of Reference (TOR) of the Nomination and Remuneration Committee (NRC or Committee) sets out the requirements of the Board of Directors (Board) of Focus Dynamics Group Berhad (FOCUS or Company) towards the establishment of a NRC and the delegation of responsibilities to such a Committee.

2. Functions

2.1 The NRC's TOR is established pursuant to the ACE Market Listing Requirements (AMLR) by Bursa Malaysia Securities Berhad and in line with the Malaysian Code of Corporate Governance by the Securities Commission Malaysia and is approved by the Board.

2.2 The purpose of the NRC is to assist the Board in fulfilling its roles and responsibilities in regards to the following:

2.2.1 Composition of the Board, the Board Committee, all Directorships in the Group and Key Management;

2.2.2 Nomination and election process and appointment and re-appointment/re-election process;

2.2.3 Contribution and commitment of Directors;

2.2.4 Letter of Appointment;

2.2.5 Induction and Training programmes;

2.2.6 Board assessment;

2.2.7 Review of the Audit and Risk Management Committee (ARMC);

2.2.8 Succession Planning;

2.2.9 Reviewing and recommending to the Board the remuneration framework for the Executive Directors, and senior and key management, ensuring that remuneration is set at a coherent and competitive level to recruit, attract, retain and motivate high performing individuals and structured as to align their interests with those of the Group and its shareholders.

In defining the remuneration framework, the NRC shall consider the following matters:

a) whether the framework provides adequate motivational incentive for Executive Directors, and senior and key management to pursue the long-term growth and success of the Group; and

b) the underlying performance of the Group in light of its business plans.

2.2.10 Review the performance of, and recommend to the Board for approval the annual total remuneration packages which include salaries, incentives, perks and benefit-in-kind, compensation for loss or termination of office or appointment of the Executive Directors and Senior Management; and

2.2.11 Determine and set performance measures for incentive plan.

3. Members

3.1 Membership and the Chairman of the NRC shall be appointed by the Board and shall comprise not less than three (3) members whom shall be appointed from among the Directors of the Board.

3.2 All the members of the NRC must be Non-Executive Directors and a majority of whom must be Independent Directors free from any business or relationship that in the opinion of the Board would materially interfere with the exercise of his/her independent judgement as a member of the Committee.

3.3 Members of the NRC may relinquish their membership in the NRC with prior written notice to the Company Secretary. The NRC will review and recommend, to the Board for approval, another candidate to fill up such vacancy.

3.4 No Alternate Director shall be appointed as a member of the NRC.

4. Powers and authority

4.1 The Board authorises the NRC, within the scope of its duties and responsibilities set out in this TOR to:

4.1.1 acquire the resources which are required to perform its duties;

4.1.2 have full and unrestricted access to information, records, properties and personnel within the Group;

4.1.3 obtain relevant internal and external independent professional to advise and assist in the proper discharge of its roles and responsibilities, advice, as it deems necessary; and

4.1.4 have access to the advice and services of the Company Secretary.

5. Secretary of the NRC

5.1 The Company Secretary or his/her representative shall act as secretary of the NRC.

5.2 The Secretary shall be present to record proceedings of the NRC meetings.

5.3 The Secretary shall have the following responsibilities:

5.3.1 Ensure all meetings are arranged and held accordingly;

5.3.2 Draw up meeting agendas in consultation with the NRC Chairman and circulate the agenda together with the relevant papers at least seven (7) days prior to each meeting to enable full and proper consideration to be given to issues;

5.3.3 Prepare the minutes of the NRC meetings;

5.3.4 Ensure the minutes are endorsed by the NRC Chairman before circulating promptly to all members of the NRC and make the same available to Board members who are not members of the NRC; and

5.3.5 Ensure that the minutes of the NRC meetings are properly kept and produced for inspection if required.

6. Quorum and Meeting guidelines of the NRC

6.1 In order to form a quorum, a minimum two (2) members must be present. In the absence of the NRC Chairman, the members present shall elect a NRC Chairman for the meeting from amongst the members present.

6.2 The NRC shall meet at least once a year. Additional meetings shall be held as and when the NRC or the NRC Chairman decides. The NRC meetings shall be governed by the provisions of the Company's Constitution relating to Board meetings unless otherwise provided for in this TOR. The NRC may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.

6.3 The NRC may request other Directors, members of Board committees/management, counsels and consultants when applicable and necessary to participate in the meetings, to assist in carrying out the NRC's responsibilities.

6.4 A member of the NRC 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. Where this causes a lack of quorum, the NRC shall appoint another candidate(s) who meets the membership criteria.

6.5 A member of the NRC may participate in a meeting by means of a telephone conference or video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

6.6 The notice and agenda for each NRC meeting shall be sent to all members of the NRC and any other persons who may be required to attend.

6.7 The NRC Chairman shall report to the Board on any matter that should be brought to the Board's attention and provide recommendations of the NRC that require the Board's approval at the Board meeting.

6.8 A resolution in writing signed by a majority of all members of the NRC shall be valid and effectual as if it had been passed at a meeting of the NRC. All such resolutions shall be described as "Nomination and Remuneration Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in the like form, each signed by one (1) or more members. The expressions "in writing" or "signed" include approval by legible confirmed transmission by facsimile or other forms of electronic communications.

7. Duties and responsibilities

7.1 Nomination and Election Process

7.1.1 Composition of the Board, Board Committees and all Directorships in the Group:

a) Review the structure, fit and proper policy, size and composition (including skills, knowledge, experience and diversity) of the Board, Board Committees and all Directorships in respect of its effectiveness and recommend on any improvements or changes required;

b) Review and recommend to the Board the policy on Board composition in respect of mix of skills, fit and proper policy, knowledge, experience, expertise, independence, diversity (including gender, ethnicity and age) and core competencies needed to facilitate effective functioning of the Board and Committee;

c) Draw up, review and recommend to the Board the Directors' Fit and Proper Policy; and

d) Draw up, review and recommend to the Board the Policy on Independence and Conflict of Interest.

7.2 Employment Contracts

7.2.1 Review and recommend to the Board the appointment of any Executive Directors and Key Management within the Group;

7.2.2 Review and recommend the extension of contracts of Chief Executive Officers (CEOs), Executive Directors and Senior Management and any other person to the Board;

7.2.3 Review and recommend to the Board any matters relating to the continuation, extension, suspension or termination of CEOs, Executive Directors and Senior Management.

7.3 Appointment/Re-appointment/Re-election process

7.3.1 Review criteria used in the appointment/recruitment of Board members, Committee members and all Directorships in the Group, CEOs, Group Chief Operating Officers, Group Chief Financial Officer and recommend to the Board for approval;

7.3.2 Recommend to the Board the criteria for identifying an Senior Independent Non-Executive Director, where applicable;

7.3.3 Recommend to the Board for its approval, candidates for the Board, Independent Non-Executive Director, Board Committees including the Chairman and all directorships within the Group. The NRC shall consider the prospective Director's character, experience, skills, expertise, core competencies, integrity time commitment, number of directorships held, other obligations and whether the candidate is fit and proper for the role being considered.

7.4 Induction and Training Programmes

7.4.1 Recommend suitable orientation/induction, educational and training programmes to continuously train and equip the existing and new Directors and to ensure a statement is made in the Annual Report by the Board containing a brief description of the trainings attended by Directors during the financial year.

7.5 Board Assessment

7.5.1 Assess on an annual basis, the effectiveness of the Board as a whole, the individual Directors, the Board committees and the contributions of each Director, the Group CEO and maintain proper documentation of such assessment;

7.5.2 Assess the findings of the Board assessment and take appropriate actions to address any shortcomings identified from the assessment and table to the Board for review and approval;

7.5.3 Review on an annual basis, the independence of Independent Directors with reference to the definition of "Independent Director" as stipulated by Paragraph 1.01 of the AMLR and the Policy on Independence & Conflict of Interest and recommend to the Board any changes required. The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. If upon completion of nine (9) years, the Independent Director continues to serve on the Board, he or she will be re-designated as a Non-Independent Director.

If the Board intends to retain the Independent Director after the ninth (9th) year, the Board shall provide strong justification on the recommendation and seek the shareholders' approval through a two-tier voting process. Nonetheless, such retention is limited to not more than a cumulative period of twelve (12) years from the date of such person's first appointment as an Independent Director of the Company.

7.6 Review of the ARMC

7.6.1 Review the performance of ARMC and each of its members annually to determine whether the ARMC and its members have carried out their duties in accordance with their terms of reference.

7.7 Succession Planning

7.7.1 Review and oversee a succession planning framework for the Board and Board Committee members, CEOs, Subsidiaries Board and Key Senior Management.

7.8 The Remuneration Framework

7.8.1 Set and review the parameters of the framework:

a) recommends the formulation of policies, procedures, guidelines and set criteria for remuneration packages for Executive Directors, Non-Executive Directors and Senior Key Management;

b) who the above will relate to all the directors, key management of the Group;

c) recommends how best to measure the performance of the directors and key management;

d) recommends which elements of remuneration will apply, procedure of pay-out and how it will be linked to performance of individual and company.

7.9 Executive Directors' and Key Senior Management Remuneration

7.9.1 Review and recommend to the Board the remuneration of any Executive Directors and Key Senior Management within the Group taking into consideration the need to attract and retain good candidates.

7.10 Non-Executive Directors' Remuneration

7.10.1 Review and recommend to the Board the fees for Non-Executive Directors taking into consideration the responsibilities undertaken such as acting as Board Chairman, Chairman of a Board Committee or as the Senior Independent Director.

7.11 Disclosure of Remuneration of Directors, CEOs and Key Senior Management

7.11.1 Ensure that remuneration for all Directors, Group and Key Senior Management are disclosed in the Annual Report;

7.11.2 The NRC Chairman or in his absence, another member of the NRC shall attend the Annual General Meeting of the Company and be prepared to respond to questions at the meeting on the NRC's work and responsibilities.

8 Disclosure on NRC's activities

8.1 FOCUS shall provide in its annual report a statement about the activities of the NRC in the discharge of its duties for the financial year. The statement must include the requirements as set out in Rule 2.20A of the AMLR and contain the following information:

8.2.1 The policy on board composition having regard to the mix of skills, fit and proper criteria, independence and diversity (including gender diversity).

8.2.2 The board nomination and election process of directors and criteria used in the selection process.

8.2.3 Assessment undertaken by the NRC in respect of its Board, committees and individual directors together with the criteria for such assessment.

8.2 Written TOR

8.2.1 The NRC must have a written TOR which deals with its authority and duties and such information must be made available on the Company's website.

9 Revision of TOR

9.1 Any revision or amendment to this TOR as proposed by the NRC or any other party shall first be presented to the Board for its review and approval.

9.2 Upon the Board's approval, the said revision or amendment shall form part of this TOR and shall be considered duly revised or amended.

10 Approval

10.1 This TOR was reviewed and approved by the Board on 28 May 2026.