

KLCC PROPERTY HOLDINGS BERHAD (Company No. 641576-U)
("COMPANY")

TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

1. Composition

The Nomination and Remuneration Committee of the Company shall comprise exclusively of Non-Executive Directors, a majority of whom must be independent. The Chairman of the Nomination and Remuneration Committee should be the Senior Independent Director identified by the Board. The Company Secretary shall be the Secretary of the Nomination and Remuneration Committee meeting.

2. Purpose

The purpose of the Nomination and Remuneration Committee is to assess the suitability of candidates to be appointed to the Board. In making such assessment, consideration should be given to the candidate's competency, commitment, contribution and performance. The Nomination and Remuneration Committee should facilitate the new Board Member's induction and training programmes. The nomination and election process of Board Members should be disclosed in the Company's Annual Report. In carrying out its functions, the Nomination and Remuneration Committee adheres to the policies and procedures set by the Company's ultimate holding/holding company.

The Nomination and Remuneration Committee will also assess the senior management succession planning taking into account the challenges and opportunities facing the Company and what skills and expertise are therefore needed in the near future.

3. Meetings and Quorum

- 3.1 The Nomination and Remuneration Committee shall meet at least once a year. The presence of the majority of the Independent Non-Executive Directors shall form the quorum of the meeting.
- 3.2 The Secretary will ensure that the Nomination and Remuneration Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

- 3.3 The Secretary shall minute the proceedings and resolutions of all Nomination and Remuneration Committee meetings. Draft minutes of Nomination and Remuneration Committee meetings shall be circulated promptly to all members of the Nomination and Remuneration Committee. Once approved, minutes should be circulated to all other members of the Board.
- 3.4 The Chairman of Nomination and Remuneration Committee shall attend the annual general meeting to answer any shareholder questions on the Nomination and Remuneration Committee's activities.

4. Roles and Functions

- 4.1 The committee should carry out the duties detailed below for KLCC Group as a whole, as appropriate.

(A) Nomination Matters:

- (i) To assess and recommend new appointments to the Board and Board Committee;
- (ii) To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of the Board, Committees and Individual Directors including the criteria to assess their independence. Periodic assessment of Directors is to be facilitated by a professional, experienced and independent party by providing unbiased perspective on a Director's performance and his/her ability to contribute effectively to the Board;
- (iii) To review the succession plans for Directors and senior management and to ensure and maintain an appropriate balance of skills, experience etc. necessary for the Company's business;
- (iv) To evaluate the re-appointment of any Non-Executive Director at the conclusion of their specific term of office;
- (v) To assist the Board in reinforcing its independence by having a tenure limit for independent directors that should not exceed nine years.
- (vi) To regularly review the structure, size and composition (including skills, knowledge, experiences and so on) of the Board and Board Committees and make recommendations to the Board for any changes required;
- (vii) To review and recommend suitable training programmes for the Board members including board induction and training for new directors;

(B) Remuneration Matters:

- (i) To establish a formal and transparent remuneration policy to be adopted by the Board and the policy shall also include procedures to attract and retain Executive Directors;
- (ii) To recommend to the Board the remuneration packages for senior management and executive staff, which is aligned to the property industry, and to review changes thereto as necessary;
- (iii) In establishing the remuneration package for Directors, to be fair and aligned with the business strategy and long-term objectives of the Company, and should reflect the Board's responsibilities, expertise and the complexity of the Company's activities;
- (iv) To undertake a formal independent review of the Directors' remuneration once in every three (3) years;
- (v) Oversee the qualitative and quantitative disclosures of remuneration made in the annual report and notice to general meetings.

4.2 Provided that the units in KLCC Real Estate Investment Trust and the ordinary shares in the Company remains stapled to each other, where necessary, to consult and cooperate with the nomination and remuneration committee of KLCC REIT Management Sdn Bhd ("**KLCC REIT Management**") in respect of matters relating to (a) the nomination and remuneration policy of the Company and KLCC REIT Management and (b) the carrying out of the Nomination and Remuneration Committee's roles and functions to ensure consistent approaches taken by the Nomination and Remuneration Committee of the Company and the nomination and remuneration committee of KLCC REIT Management.

Updated as at 11 November 2019