



RAM Holdings Berhad

NOMINATION AND REMUNERATION COMMITTEE
Terms of Reference

Approved by	:	The Board of Directors of RAM Holdings and RAM Ratings
Approved date (NRC)	:	25 February 2013 [NRC meeting no.1 (1/2013)]
Initial approved date (BOD)	:	22 March 2017 [Board meeting no.148 (1/2017)]
Revision no.	:	6
Last approved date	:	3 December 2025 [RAMH & RAMR Board meeting 7/2025]

Title	Terms of Reference of Nomination and Remuneration Committee	Revision no.	6
Initial approved date	22 March 2017 Board meeting no.148 (1/2017)	Last reviewed date	27 November 2025 (NRC 4-2005) 3 December 2025 RAMH and RAMR Board meeting (6-2025)

Tracking Sheet for Amendments to the Terms of Reference

Rev	Date	Remarks
1	14 December 2021	<p>Amendments as follows:</p> <ul style="list-style-type: none"> • Syntax • Expanded scope to expand oversight to include Rating Committee members <ul style="list-style-type: none"> ○ Additional sub paragraph 2.1 (a) (iiA) ○ Amendments to para 2.1(b)(ii), 3.1(a), 3.1(b), 3.1(j) • Paragraph 4.1 on criteria of Chairman of NRC. • Paragraph 4.3 to provide flexibility on the appointment of Secretary of Committee • Paragraph 9 to reflect the same review frequency with other Board Committee
2	5 May 2023	<p>Amendments to incorporate the following changes:</p> <ul style="list-style-type: none"> • Committee established at RAM Holdings Berhad • Paragraphs restructured to promote better flow of provisions and to provide clarity on the scope as well as to take into account the new provisions of CRA Guidelines • Amendments to provide for clarity on approval process required of the respective boards. • Syntax
3	December 2024	<p>Amendments to incorporate the following changes:</p> <ul style="list-style-type: none"> • Paragraph 1.2 on <i>Scope and Responsibility</i> to include fit and proper criteria assessment for Director, Rating Committee member, Group CEO, Deputy Group CEO, CEOs, Chief Compliance Officer and Senior Management • Paragraph 2.2 on <i>Remuneration Policy</i> on Definition of Senior Management • Paragraph 2.3 on <i>Performance Evaluation</i> to include “Peer Evaluation” • Paragraph 9 on implementation of Annual Review of TOR instead of ‘Periodic Review’ • Syntax

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4	3 December 2025	<p>Amendments to incorporate the following changes:</p> <ul style="list-style-type: none"> ▪ Para 1.2: Mainly editorial amendments for clarity, including refinement of the definition of “Rating Committee” to enhance transparency. ▪ Para 2.1: Reworded mainly for improved clarity. ▪ Para 2.2: Substantive amendments to require disclosure of committee composition, meeting frequency, key activities, and diversity initiatives in the Annual Report, to strengthen transparency. ▪ Para 2.3(c): Introduction of provisions to allow the engagement of an external facilitator for performance evaluations, supporting objective assessments and good governance practices. ▪ Para 3.4: Editorial amendments for clarity, with no substantive changes to the committee’s structure or functions. ▪ Para 5: Editorial amendments for clarity, with no substantive changes to reporting responsibilities.
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1. INTRODUCTION

- 1.1 The Nomination and Remuneration Committee (NRC) established jointly by RAM Holdings Berhad (RAM Holdings) and RAM Rating Services Berhad (RAM Ratings) is now **restructured to be a Committee under RAM Holdings** pursuant to the approval of Securities Commission Malaysia (SC) that the NRC shall be recognised as a Board Committee of RAM Ratings under the SC Guidelines on Credit Rating Agencies.
- 1.2 The NRC was established to make recommendations to the respective Boards of RAM Group on the following matters:
- (a) Review succession planning for Directors, Group CEO, Deputy Group CEO, CEOs, CCO and Senior Management for RAM Group;
 - (b) Nomination, appointment, reappointment and removal (save for disciplinary matters) of Directors of RAM Group including alternate directors, if any;
 - (c) Nomination, appointment and reappointment of Rating Committee member, the appointment of Group CEO, Deputy Group CEO, CEOs of subsidiary companies, CCO and Senior Management at Grade 21 and above¹;
 - (d) Assessment of fit and proper criteria for Directors, Rating Committee members, Group CEO, Deputy Group CEO, CEOs, CCO and Senior Management;
 - (e) Determination of the process and criteria for evaluating the performance of the respective Board of Directors and Board Committees of RAM Group;
 - (f) Establishment of formal and transparent procedures for developing a remuneration policy for Directors, Rating Committee member, Group CEO, Deputy Group CEO, CEOs, CCO and senior management of RAM Group;
 - (g) Recommendation of a compensation policy that is competitive and aligned with the culture, objectives and strategy of the RAM Group; and
 - (h) Review of training and professional development programmes for the Board of Directors of RAM Group, to ensure that Directors are given the opportunity to enhance their skills, knowledge, and understanding of the company's business, regulatory environment, and governance practices.

1.3 Definitions

¹ As set out in RAM Group Terms and Conditions of Service.

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Unless the contrary intention is expressed in this Terms of Reference, the following words (when used in this Terms of Reference) have the meaning set out below:

“Board” means the Board of Directors of RAM Holdings Berhad unless otherwise specified. In this, “respective boards” means the respective Boards of Directors of RAM Holdings and RAM Ratings.

“Board Committees” means the Board Committees within the definition of CRA Guidelines.

“Rating Committee” means a member of the committee responsible to approve the credit ratings that RAM Rating Services Berhad (“RAM Ratings”) assigns to corporate bonds/sukuk issuers and issues.

“CCO” means Chief Compliance Officer.

“CEO” means Chief Executive Officer.

“CRA Guidelines” means the Securities Commission Malaysia (SC) Guidelines on Credit Rating Agencies and includes any amendment and update thereto.

“Committee” or “NRC” means the Nomination and Remuneration Committee.

“Fit and proper criteria” means fit, and proper criteria as set out in the CRA Guidelines.

“Independent director” shall have the same meaning as assigned under the CRA Guidelines.

“Senior Management” means other than a director, having authority and responsibility for planning, directing or controlling the activities of a CRA or its rating holding company, including the chief executive, chief rating officer, chief operating officer, chief financial officer, members of decision-making committees and other key persons performing functions such as risk management, compliance, internal audit or other functions as may be specified by the SC.

“RAM Group” means RAM Holdings Berhad and its subsidiaries, except Bond Pricing Agency Malaysia Sdn Bhd (BPAM).

2. RESPONSIBILITIES

The key responsibilities of the Committee are as follows:

2.1 Nomination matters

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- (a) Establish selection criteria and undertake a formal process including the evaluation of fit and proper criteria for the nomination, appointment, reappointment and election of Directors and the nomination of external Rating Committee member, Group CEO, Deputy Group CEO, CEOs, CCO, and Senior Management.
- (b) Suggest for the respective RAM Group Board's consideration candidates it considers appropriate for appointment as the Group's CEOs and CCO;
- (c) Suggest to the respective RAM Group's Board on the terms and conditions on which Non-executive Directors are appointed and hold office;
- (d) Assess candidates for the RAM Group's Boards, Board Committees, Executive Directors, Group CEO, Deputy Group CEO, CEOs and CCO and recommending their nomination to the respective Boards for approval (prior to submission for the SC and/or other regulatory authorities' approval).

Notwithstanding any provision herein, this Committee may make recommendations of suitable candidates for nomination as director of BPAM and members of its Board Committee.

- (e) Review and make recommendations to the respective Boards of RAM Group on re-election of any Director who retires by rotation or is required to stand for election by shareholders, in accordance with the Companies Act 2016.
- (f) Develop and implement RAM Group Boards' succession planning to enable an appropriate mix of skills, experience, expertise and diversity on the Board to be maintained and suggest to the respective Boards of RAM Group strategies to facilitate orderly succession board membership. Review and recommend to the respective Boards of RAM Group the policy on recruitment, retention and termination procedures for the Board members, external Rating Committee members and Senior Management.
- (g) Oversee the management succession planning and performance evaluation of Directors, Group CEO, Deputy Group CEO, CEOs, and CCO.
- (h) Disclose the Committee composition, meeting frequency, key activities, and diversity initiatives in the Annual Report.

2.2 Remuneration Policy

- (a) Recommend to the respective Boards of RAM Group approve the remuneration framework for the following, ensuring it is benchmarked against industry standards.
 - Directors including the Executive Directors

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- Members of Board Committees
- Members of Rating Committees
- Group CEO, Deputy Group CEO, CEOs of subsidiaries
- Senior Management Grade 21 and above

- (b) Ensure that RAM Group maintains remuneration and incentive policies and practices that are competitive, equitable and will attract and retain good people.
- (c) Oversee any major policy changes in employee remuneration throughout RAM Group;
- (d) Review and suggest for the respective Board's consideration, the policy on remuneration framework and structure for RAM Group's employees.
- (e) Review and suggest to the Board the policy on remuneration including bonus and other benefits of the Group CEO, Deputy Group CEO, CEOs and CCO of RAM Group.

2.3 Performance Evaluation

- (a) Facilitate the Annual Performance Appraisal as well as Self and Peer Evaluation of the Board of Directors;
- (b) Facilitate Annual Performance Appraisal of Group CEO, Deputy Group CEO, CEOs and CCO for the respective Board's consideration and approval; and
- (c) The Committee may, at its discretion, engage an independent external facilitator to support the evaluation process, in accordance with governance best practices.

2.4 Directors' Development

- (a) Establish the Directors' Development framework for the on-going development plan of Directors for the respective Boards, in ensuring each Director possesses the knowledge and skills necessary to fulfill their responsibilities.
- (b) Allocate adequate resources and budget for the Directors' development plan, for recommendation to the respective Boards of RAM Group for approval.

2.5 Other Responsibilities

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The Committee will perform other duties and responsibilities as requested by the Board or expressly delegated to the Committee from time to time.

3. COMPOSITION AND STRUCTURE OF THE COMMITTEE

- 3.1 The Committee members shall be appointed by the Board and shall comprise exclusively **Non-Executive Directors with a minimum of three (3) members**, of which the **majority must be independent directors**. The Committee shall be **chaired by an independent director who shall not be a Chairman of Board of RAM Holdings and/or RAM Ratings**. In order to avoid conflict of interest, a member of the Committee shall abstain from participating in the discussion and decisions on matters involving him/her.
- 3.2 The Board may remove a member of the Committee.
- 3.3 A member shall automatically relinquish his position on the Committee if he resigns, dies or ceases to be an independent director of the Board.
- 3.4 The Company Secretary shall act as the Secretary to the Committee and ensure that the Committee receives information and papers in a timely manner. The Chairman of the Committee will be responsible for determining the agenda for each meeting. In the absence of the Company Secretary, the Committee may appoint any suitable person to perform the Secretary's duties.

4. MEETINGS OF THE COMMITTEE

- 4.1 The Committee will meet as frequently as required but **not less than twice a year**. Additional meetings may be called at any time at the Committee Chairman's discretion or if requested to do so by any member or the Board of Directors of RAM Holdings and/or RAM Ratings. In the absence of the Committee Chairman, the remaining members present shall elect one of the independent non-executive members as Chairman of the meeting.
- 4.2 The **quorum for the meeting shall be a minimum of three (3) independent board members**. Members who participate via telephone or video conference are deemed to be present.
- 4.3 The Secretary of the Committee will be responsible for retaining and circulating the minutes of meetings. Upon the approval by the Committee Chairman, the Minutes shall be distributed to all Committee members. The key matters discussed at the Committee's meetings are to be reported to the Board.

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4.4 Senior management of RAM Group or professional advisors may be invited to attend meetings when the Committee considers their presence necessary.

5. REPORTING TO THE BOARD

The Chairman of the Committee shall report at the respective Board Meetings of RAM Holdings and RAM Ratings on key matters discussed and decisions made by the Committee. In his absence, any member of the Committee or any member of the senior management assigned by the Chairman may present the report.

6. INDEPENDENT EXTERNAL ADVICE

The Committee may obtain, at the expense of RAM Holdings and/or RAM Ratings, outside legal and other professional advice on any matters within this Terms of Reference.

7. ACCESS TO EMPLOYEES, OTHER PERSONS AND RESOURCES

The Committee shall:

- (a) Have access to sufficient resources to carry out its duties relating to Committee matters;
- (b) Have access to internal and external auditors;
- (c) Have access to all relevant Company records; and
- (d) Request any employee or other individual to attend the meeting of the Committee.

8. MEMBER'S ALLOWANCE

Members of the Committee shall be entitled to a sitting allowance, as determined by the Board.

9. REVIEW OF THE TERMS OF REFERENCE

The Committee's Terms of Reference are subject to annual review by the Committee and thereafter submitted to the Board for information and approval. The Terms of Reference may be updated on an ad hoc basis as and when deemed necessary to reflect new thinkings, regulatory changes and business environment.