

1. COMPOSITION

The Audit Committee shall be appointed from amongst the Board and composed of no fewer than three (3) members. All the audit committee members must be non-executive directors, with a majority of whom being independent directors and at least one (1) member must:

- (i) be a member of the Malaysian Institute of Accountants (“MIA”); or
- (ii) if he is not a member of the MIA, he must have at least three years of working experience and:
 - He must have passed the examination specified in Part I of the 1st Schedule of the Accountant Act 1967; or
 - He must be a member of one of the Association of Accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
- (iii) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad (“Bursa Securities”).

No alternate director shall be appointed as a member of the Audit Committee.

In case of a former key audit partner is being nominated as a member of the Audit Committee, he shall observe a cooling period of at least two (2) years before being appointed as a member of the Audit Committee.

In the event of any vacancy resulting the number of members reduced to below three or there is no chairman, the vacancy shall be filled within three (3) months. Therefore, a member of the Audit Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.

2. CHAIRMAN

The Chairman, who shall be elected by the Audit Committee, shall be an independent director.

The Chairman shall not be the Chairman of the Board.

In the absence of the Chairman, the meeting shall be chaired by another member of the Audit Committee who is an Independent Director.

The role of the Chairman is planning and conducting meetings, overseeing reporting to the Board, encouraging open discussion during meetings, and developing and maintaining active on-going dialogue with Management, the internal auditors and the external auditors.

The Chairman should engage on a continuous basis with senior management, such as the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the internal auditors and the external auditors in order to be kept informed of matters affecting the Company such as the Company's reporting process, internal controls, risk management and governance with the aim to ensure effectiveness and efficiency of the internal control systems and the risk management framework.

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3. SECRETARY

The Company Secretary or her nominee shall act as the Secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

The Secretary or her nominee shall be responsible for attending, recording and keeping the minutes of meetings of the Audit Committee and circulating them to the Committee Members. The Committee Members may inspect the minutes of the Audit Committee at the Registered Office.

4. MEETINGS

The Audit Committee shall meet at least four (4) times in each financial year. The quorum for a meeting shall be two (2) members, provided that the majority of members present at the meeting shall be independent.

The Audit Committee may call for a meeting as and when required with reasonable notice as the Committee Members deem fit. The Committee Members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

All decisions at such meeting shall be decided on a show of hands by a majority of votes. The Chairman shall have the casting vote should a tie arise.

The other directors, employees, internal auditors and external auditors may attend at any meeting at the invitation of the Audit Committee and shall appear before the Audit Committee when required to do so by the Audit Committee. The internal auditors and external auditors may also request a meeting if they consider it is necessary. The Chairman shall call for a meeting upon the request of the internal and external auditors.

Any resolution in writing, signed or assented to by majority Members of the Audit Committee who are Independent Directors shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held, and may consist of several documents in the like form, each signed by one or more Members of the Committee.

5. REVIEW OF THE AUDIT COMMITTEE

The terms of office and performance of the Audit Committee and each of its members must be reviewed by the Nomination Committee annually to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

6. RIGHTS

The Audit Committee shall:

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Group;
- (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

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- (e) have the right to obtain independent professional or other advice and to invite outside expert or advisors such as valuers, engineers or tax consultants to attend the Audit Committee meeting (if required) and to brief the Audit Committee at the Company's expense;
- (f) have the right to convene meetings with the internal auditors and external auditors, excluding the attendance of the executive board members, management or employees of the Group, whenever deemed necessary;
- (g) promptly report to Bursa Securities, or such other name(s) as may be adopted by Bursa Securities, matters which have not been satisfactorily resolved by the Board of Directors resulting in a breach of the listing requirements;
- (h) have the right to pass resolutions by a simple majority vote from the Audit Committee and that the Chairman shall have the casting vote should a tie arise; and
- (i) meet as and when required on a reasonable notice.

7. DUTIES AND RESPONSIBILITIES

(a) **Risk Management and Internal Control**

- i. To review the adequacy and recommend such measures to the Board on the effectiveness of the Company's risk management and risk assurance process.
- ii. To evaluate the quality and effectiveness of the Company's internal control system and management information system, including compliance with the applicable laws, rules, corporate governance requirements and regulations.
- iii. To recommend to the Board the Director's Statement on Risk Management and Internal Control and any changes to the said statement.
- iv. To assist the Board in identifying the principal risks, review and assess the effectiveness of the risk management framework and internal control systems based on the reports and recommendations from the internal auditors and report to the Board on its findings.

(b) **Financial Reporting**

- i. To review the quarterly results and annual financial statements before recommending to the Board for approval and release to Bursa Securities, focusing particularly on:
 - any changes in or implementation of accounting policies and practices;
 - significant or material adjustments with financial impact arising from the audit;
 - significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how these matters are addressed;
 - the going concern assumptions;
 - the appropriateness of management's selection of accounting policies and disclosures in compliance with approved accounting standards and other regulatory requirements; and

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- compliance with applicable financial reporting standards and other legal requirements.
- ii. To monitor the integrity of the financial statements of the Company.
- iii. To assess whether the financial report represents a true and fair view of the Company's performance and ensure compliance with the regulatory requirements.
- iv. To propose best practices on disclosure in the financial statements and the annual reports of the Company, to be in line with the recommendations set out in the Malaysian Code of Corporate Governance and other applicable rules and regulations.

(c) **External Audit**

- i. To recommend the appointment or re-appointment of the external auditors and audit fee and non-audit fees to the Board, after assessing suitability, objectivity, resources, competency and independence of the external auditors.
- ii. To make appropriate recommendations to the Board on matters of resignation, dismissal or cessation of office of the external auditors and secure the reason of such resignation, dismissal or cessation of office.
- iii. To review with the external auditors on:
 - the audit plan, its scope and nature;
 - the audit report;
 - the financial and non-financial information in the annual report;
 - the results of their evaluation of the accounting policies and systems of internal accounting controls within the Group;
 - the assistance given by the officers of the Company to the external auditors, including any difficulties or disputes with Management encountered during the audit;
 - management letter and/or major findings of internal investigations and management's response therein; and
 - the nature and extent of the non-audit services rendered by the external auditors and the appropriateness of the level of fees.
- iv. To have policies and procedures to assess the suitability, objectivity and independence of External Auditors.
- v. To discuss with the external auditors before they commence the nature and scope of audit and ensure coordination where there are more than one audit firm is involved.

(d) **Internal Audit**

- i. To recommend the appointment of the internal auditors and its fees to the Board.
- ii. To make appropriate recommendations to the Board on matters of resignation, dismissal or cessation of office of the internal auditors and secure the reason of such resignation, dismissal or cessation of office.

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- iii. To review the adequacy of the scope, functions, competency, resources and whether it has the necessary authority to carry out its work. The Audit Committee set the standards of the internal audit function.
- iv. To review the risk-based internal audit plans, programmes and processes.
- v. To ensure co-ordination between the internal and the external auditors.
- vi. To review the internal audit plan, processes, result of the internal audit and major findings reported by the internal auditors and whether or not appropriate action is taken on the recommendations of the internal audit function and follow up on Management's implementation of the recommended actions.
- vii. To annually assess the performance of services provided by the internal auditors and be satisfied that the internal audit should be carried out objectively and is independent from Management of the Company and the functions which it audits and report its findings directly to the Audit Committee.

(e) **Conflict of Interest Situation and Related Party Transactions**

- i. To review and monitor related party transactions (including Recurrent Related Party Transactions) entered into by the Company or the Group and to determine if such transactions are undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the related parties than those generally available to the public;
- ii. To ensure that the Board report such transactions annually to the shareholders via the annual report;
- iii. To review conflicts of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity; and
- iv. To report to Bursa Securities, if there is any recurrent related party transaction which exceeded the Shareholders' Mandate and provide full reasoning and detailed explanations.

(f) **Reporting Responsibilities**

- i. To report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- ii. To make recommendation to the Board as and when it deems appropriate on any areas within its remit where action or improvement is needed.

(g) **Whistleblowing and Fraud**

Review the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action and review the Company's procedures for detecting fraud.

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(h) **Other Matters**

- i. To verify the allocation of options pursuant to a share scheme for employees to ensure in compliance with the criteria for allocation of options under the share scheme, at the end of each financial year.
- ii. Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the ACE Market Listing Requirements of Bursa Securities or other authorities, the Committee must promptly report such matter to Bursa Securities or the authority concerned.
- iii. Oversee any periodic or ad-hoc or assurance activities with respect to sustainability management and reporting processes.

8. REVIEW OF TERMS OF REFERENCE

The terms of reference should be assessed, reviewed and updated at least once every three (3) years by the Audit Committee or as and when there are changes to the Malaysian Code on Corporate Governance 2017 and ACE Market Listing Requirements that may have an effect on the Committee's responsibilities.

The Audit Committee should recommend any change to the terms of reference to the Board for approval.

The terms of reference of Remuneration Committee are as follows:

1. COMPOSITION

The Remuneration Committee shall be appointed from amongst the Board and shall be composed of:-

- (i) no fewer than two (2) members; and
- (ii) exclusively Non-Executive Directors, a majority of whom must be independent.

2. CHAIRMAN

- The Chairman of the Remuneration Committee should be selected amongst the Remuneration Committee Members.
- In the absence of the Chairman, the meeting shall be chaired by another Committee Member.

3. SECRETARY

- The Company Secretary or her nominee shall be the Secretary of the Remuneration Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.
- The Secretary or her nominee shall also be responsible for attending, recording and keeping the minutes of meetings of the Remuneration Committee and circulating them to the Committee Members. The Committee Members may inspect the minutes of the Remuneration Committee at the Registered Office.

4. MEETINGS

- The Remuneration Committee shall meet at least once a year or as and when required, to perform the duties set out in these Terms of Reference. The Committee Chairman shall report to the Board on its proceedings after each meeting.
- The Committee Members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- The quorum for a meeting shall be two (2) members with a majority of the Independent Directors present at the Meeting.
- All decisions at such meeting shall be decided on a show of hands by a majority of votes. The Chairman shall have the casting vote should a tie arise.

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- Any resolution in writing, signed or assented to by majority Members of the Remuneration Committee who are Independent Directors shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held, and may consist of several documents in the like form, each signed by one or more Members of the Committee.
- The Remuneration Committee shall have the right to invite other Directors, Management and Consultants as applicable to participate in the Remuneration Committee Meetings as and when necessary to carry out its responsibilities.

5. AUTHORITY

The Remuneration Committee shall:

- a) have the resources which are required to perform its duties;
- b) have full and unrestricted access to resources and information as deemed appropriate for the discharge of its responsibilities to the Company;
- c) have the right to obtain independent professional or other advice at the expense of the Company, with prior consent of the Board to approve the budget;
- d) have the right to request other directors, members of management, employees of the Group and consultants as applicable to participate in the Remuneration Committee Meetings, as necessary, to carry out their responsibilities; and
- e) have the right to provide recommendations to the Board for consideration and approval.

6. DUTIES AND RESPONSIBILITIES

The main functions and duties of the Remuneration Committee shall include, but not limited to the following:

- To establish a formal and transparent procedure for developing framework or policy on remuneration package of individual director taking into consideration of the following:-
 - In case of Executive Directors (including CEO), the component parts of remuneration should be structured so as rewards is linked to corporate and individual performance.
 - In the case of Non-Executive Directors, the level of remuneration should reflect the experience and level of responsibility undertaken by the non-executive director.
- To recommend and advise the Board on the remuneration and terms and conditions (and where appropriate, severance payments) of Executive Director, CEO and senior management, ensuring that remuneration is set at a competitive level for similar roles within comparable markets to recruit, attract, retain and motivate high calibre individuals and so structured as to align their interests with those of the Company and its shareholders;

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- To review and recommend to the Board on the remuneration of Non-Executive Directors, particularly on whether the remuneration remains appropriate to each Director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken;
- To monitor structures and levels of remuneration for other senior management and make recommendations to ensure they are consistent with the Company's remuneration objectives;
- To recommend and advise the Board the incentive plans for Executive Director, CEO and senior management, and any amendments to such plans;
- To recommend and advise the Board on any major changes to employee compensation and benefit arrangements applicable to the Executive Director(s), CEO and senior management;
- To establish, review and recommend to the Board the benefits in all its form for the Executive Directors, Non-Executive Directors, CEO and senior management under the employment with the Group;
- To review and recommend to the Board annual salary increments and bonuses for the Executive Directors, CEO and key management positions under the employment of the Group;
- To obtain external advice, where necessary, on benefits for the Executive Directors, CEO and senior management under the employment of the Group; and
- To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.
- To review the performance of, and recommend to the Board for approving the annual total remuneration packages (guaranteed pay, short and long-term incentives and any compensation payable for loss or termination of office or appointment) of individual Executive Directors, CEO and senior management.

Notes:-

The remuneration packages of directors, including non-executive chairman, should be determined by the Board of Directors as a whole and the individuals directors concerned (whether executive or non-executive) should be abstained from discussing and from participating in decisions of their own remuneration packages.

7. OTHERS

(i) Shareholders' Meeting

The Chairman of the Committee should attend the Shareholders' Meeting to answer any shareholder's questions on the Committee's activities, in particular on areas pertaining to proposed resolutions for shareholders to consider on the Directors' fee and Directors' Remuneration (excluding Directors' Fee) for each financial year.

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(ii) Reporting Responsibilities

The Chairman of the Committee shall report to the Board on its proceedings after each meeting of the Committee. The Committee shall make recommendations to the Board as appropriate on any areas within its responsibility or as delegated by the Board, where action or improvement is needed. The Committee shall produce a report to be included in the Company's annual report about its activities and the disclosure of Directors' Remuneration or senior management's remuneration (where applicable).

(iii) Access to Advice

In furtherance to their duties as the Committee's members of the Company, there should be an agreed procedure for the members, whether as a full Committee or in their individual capacity, access to resources and information as deemed appropriate for the discharge of its responsibilities to the Company, including obtaining independent professional advice at the Company's expense and period review of its terms of reference against its performance.

The Committee should be entitled to the services of a secretary on all Committee matters, including assisting the Chairman in planning the Committee's work, drawing up meeting agendas, maintenance of meeting minutes and collection and distribution of information and provision of any necessary practical support, as well as obligations arising from the Listing Requirements of Bursa Malaysia Securities Berhad and/or other regulatory authorities.

8. REVIEW OF TERMS OF REFERENCE

The terms of reference should be assessed, reviewed and updated at least once every three years by the Remuneration Committee or as and when there are changes to the Malaysian Code on Corporate Governance 2017 and ACE Market Listing Requirements that may have an effect on the Committees' responsibilities.

The Remuneration Committee should recommend any change to the terms of reference to the Board for approval.

The terms of reference of Nomination Committee are as follows:

1. COMPOSITION

The Nomination Committee shall be appointed from amongst the Board and shall be composed of:-

- i. no fewer than three (3) members; and
- ii. exclusively Non-Executive Directors, a majority of whom must be independent.

2. CHAIRMAN

- The Chairman of the Nomination Committee shall be selected amongst their members and the elected chairman shall be an independent director or Senior Independent Director identified by the Board.
- In the absence of the Chairman, the meeting shall be chaired by another Committee Member of whom must be independent.
- The Chairman's roles is to :-
 - (a) lead the succession planning and appointment of board members, including the Chairman and the Chief Executive Officer;
 - (b) lead the annual review of board effectiveness, ensuring that performance of each individual director is independently assessed.

3. SECRETARY

- The Company Secretary or her nominee shall be the Secretary of the Nomination Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.
- The Company Secretary or her nominee shall also be responsible for attending, recording and keeping the minutes of meetings of the Nomination Committee and circulating them to the Committee Members promptly.
- The Committee Members may inspect the minutes of the Nomination Committee at the Registered Office.

4. MEETINGS

- The Nomination Committee shall meet at least once a year and hold additional meetings as and when required, to perform the duties set out in these Terms of Reference.
- The Members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- The quorum for a meeting shall be two (2) members with a majority of the independent directors present at the meeting.

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- All decisions at such meeting shall be decided on a show of hands by a majority of votes. The Chairman shall have the casting vote should a tie arise.
- Any resolution in writing, signed or assented to by majority Members who are independent Directors shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held, and may consist of several documents in the like form, each signed by one or more Members of the Committee.
- The Committee shall have the right to invite other Directors, Management and external advisers as applicable to participate in the Committee Meeting, as and when necessary, to carry out its responsibilities.

5. AUTHORITY

The Nomination Committee shall:

- i. have the resources which are required to perform its duties;
- ii. have full and unrestricted access to resources and information as deemed appropriate for the discharge of its responsibilities to the Company; and
- iii. have the right to obtain independent professional or other advice at the expense of the Company, with prior consent of the Managing Director/ Chief Executive Officer to approve the budget;
- iv. have the right to request other directors, members of management, employees of the Group and consultants as applicable to participate in the Nomination Committee Meetings, as necessary, to carry out their responsibilities.
- v. have the right to provide recommendations to the Board for consideration and approval.

6. DUTIES AND RESPONSIBILITIES

The main functions and duties of the Nomination Committee shall include, but are not limited to the following:

i. **New Appointments**

- Consider and recommend to the Board, candidates for directorships proposed by Management, Directors, major shareholder or outsource service providers, taking into consideration the candidates' skills, knowledge, expertise and experience, time commitment, character, competence, professionalism and integrity.

For the position of Independent Non-Executive Directors, the Nomination Committee should also evaluate candidates' background, current activities and his/ her ability to act independently from Management when discharging such responsibilities as would be expected from Independent Non-Executive Directors.

- Before any appointment by the Board, evaluate the balance of skills, knowledge, expertise and experience, gender, independent elements and diversity on the Board, and the current and future needs and size of the Company in identifying suitable candidates. Accordingly, the Committee may:

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- a) use the services of external advisors to facilitate the search from diverse pools;
- b) consider candidates from a wide range of backgrounds;
- c) consider candidates based on objective criteria, merit and with due regard to diversity including candidate's skills, knowledge, expertise and experience, gender, ethnicity, age, cultural background, time commitment, character, professionalism and integrity; and
- d) request to consider the disclosure of any business interests that may result in a conflict of interest.

- Consider and recommend to the Board, candidates to fill the seats on Board committees, in consultation with the Chairman of those committees. In the event that the Chairman's position (regardless of Board/Committee) is to be filled, to consult with the Board.
- Consider and recommend to the Board, the candidates for chief executive and chief financial officer, taking into consideration the candidates' skills, knowledge, expertise and experience, time commitment, character, professionalism, integrity and diversity on senior Management.

ii. **Re-election, Re-appointment and Resignation / Termination**

- Recommend to the Board, candidates for re-election of directors by shareholders under the annual re-election provisions or retirement, with due consideration to the extent to which the interplay of the director's expertise, skills, knowledge and experience with those of other Board members, as well as their roles as committee members. Attention should be paid to Independent Directors who are retained beyond nine (9) years as the Board will need to provide strong justification in exceptional circumstances and seek shareholders' approval. In obtaining the shareholders' approval, the Nomination Committee should conduct an assessment on independence of the Independent Director(s) and recommend to the Board whether the Independent Director(s) should remain independent or be re-designated.
- Deal with matters relating to the continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and his or her service contract.
- Review the re-appointment of any Non-Executive Director at the conclusion of his term of office having given due regard to his performance and ability to continue to contribute to the Board in terms of knowledge, skills and experience required.

iii. **Succession Planning**

- Understand the current performance, competencies and potential of those in key positions in senior Management in order to identify and develop plans for those key talents.

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- Recommend to the Board, the succession plans for Board Chairman, Directors, Chief Executive Officer and key management personnel, particularly for both executive and non-executive directors and the re-appointment of any non-executive director at the conclusion of his or her specified term of office.
- Establish a clear succession plan for Board chairman, Directors, Chief Executive Officer and senior Management, giving full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board and by the Company in future. In terms of senior Management, the Committee may request from time to time detailed views (either in the form of a report or otherwise) and work together with the Chief Executive Officer and/or senior management of the Company to:-
 - a) identify expected critical position vacancies and determine any future critical positions; and
 - b) identify gaps in current employees and develop individual development plans, coaching and mentoring programmes.

The Board should work with the Committee to evaluate potential successors, taking into account the challenges and opportunities facing by the Company and the skills and expertise, including diversity needed on the Board in the future.

iv. **Annual Performance Assessment of Board, Board Committees, Individual Directors, Chief Executive and Chief Financial Officer**

- Annually review the required mix of skills, experience, diversity and other qualities, including core competencies and effectiveness of the Board, as a whole, the Board Committees and the contribution of each individual Director. All evaluations carried out by the Nomination Committee in the discharge of its functions should be properly documented. This process should be coordinated by the Committee, with the assistance of the Company Secretary, and thus reporting to the Board at the end of each financial year with an assessment of the Board's performance and areas in which the Board, Board Committees or individual Director could improve;
- Annually review the time required of the Non-Executive and Independent Directors to discharge their duties and responsibilities. Performance assessments should be undertaken to assess whether the Directors are spending enough time to fulfil their duties.
- Annually review the independence of Independent Director and recommend to the Board whether the Independent Director(s) who has(have) exceeding the cumulative term of nine (9) years, should remain independent or be re-designated.
- Annually review the performance of the chief executive officer and chief financial officer.

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- Annually review the terms of office and performance of Audit Committee and each of its members to determine whether Audit Committee and each of its members have carried out their duties in accordance with their terms of reference.

v. **Continuous Education/ Development**

- The Nomination Committee shall from time to time identify suitable orientation, educational and training programmes for continuous development of Directors and ensure all Directors receive appropriate continuous training programmes in order to keep abreast with developments in the industry and with changes in the relevant statutory and regulatory requirements.
- Assess the Audit Committee Members' knowledge on financial literacy.

vi. **Size of Board and Independent Directors**

- Assess the desirable balance in board membership by reviewing the size, structure and composition of the Board, taking into consideration the number of directorships.
- Assess desirable number of independent Directors.
- Consider the representation of interest groups as part of boardroom diversity. Factors to consider may include gender, race, religion, nationality, gender, professional background and culture.

In developing its procedures and making recommendations to the Board, the Nomination Committee will take into account of:-

- The provisions of the Company's Constitution, the Companies Act 2016, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and other laws and regulations, if any, in respect of the appointment and removal of directors;
- The need for the Board to operate an open and transparent appointment process. This may include public advertisement or direct approaches being made to individuals who may be suitable or organisations that may be able to advise;
- The overall composition and balance of the Board; and
- The Board Diversity Policy, 'Fit and Proper' Standards/Criteria for Directors and Senior Management Staff and Succession Planning Policy.

vii. **Shareholders' Meeting**

The Chairman of the Committee should attend the Shareholders' Meeting to answer any shareholder's questions on the Committee's activities, in particular on areas pertaining to proposed resolutions for shareholders to consider on the appointment of re-appointment of Directors or the retention of an independent Director who has served the Company for more than a cumulative term of nine (9) years.

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viii. **Reporting Responsibilities**

The Chairman of the Committee shall report to the Board on its proceedings after each meeting of the Committee. The Committee shall make recommendations to the Board as appropriate on any area within its responsibility or as delegated by the Board, where action or improvement is needed. The Committee shall produce a report to be included in the Company's annual report about its activities and the process used to identify and make appointments.

ix. **Access to Advice**

In furtherance to their duties as the Committee's members of the Company, there should be an agreed procedure for the Members, whether as a full Committee or in their individual capacity, access to resources and information as deemed appropriate for the discharge of its responsibilities to the Company, including obtaining independent professional advice at the Company's expense and period review of its terms of reference against its performance.

The Committee should be entitled to the services of a secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Board, both the Company's own records and for the purposes of meeting statutory requirements, as well as obligations arising from the Listing Requirements of Bursa Securities and/or other regulatory authorities.

7. REVIEW OF TERMS OF REFERENCE

The terms of reference should be assessed, reviewed and updated at least once every three years by the Nomination Committee or as and when there are changes to the Malaysian Code on Corporate Governance 2017 and ACE Market Listing Requirements that may have an effect on the Committees' responsibilities.

The Nomination Committee should recommend any change to the terms of reference to the Board for approval.

ESOS COMMITTEE

- TERMS OF REFERENCE

Unless otherwise defined, the definitions set out in the By-Laws of VisDynamics Holdings Berhad's Employee Share Option Scheme 2017 shall apply herein.

1. OBJECTIVE OF THE COMMITTEE

The primary objective of the ESOS Committee is to administer the implementation of the ESOS in accordance with the By-Laws governing the ESOS.

2. COMPOSITION

The ESOS Committee comprising such persons as shall be appointed by the Board from time to time.

The members shall elect a Chairman of the Committee from amongst themselves.

The Board shall have the discretion as it deems fit to approve, rescind and/or revoke the appointment of any person in the ESOS Committee.

3. MEETINGS AND PROCEEDING OF THE ESOS COMMITTEE

- The quorum for a meeting shall be two (2) and meetings shall be held as and when the ESOS Committee is required to deliberate on urgent matter.
- Any decision arising at the meeting shall be decided by a majority of vote on a show of hands. Each member has one vote and in the case of equality of votes, the Chairman of the meeting shall have a second or casting vote.
- Where necessary and appropriate, any decision of the ESOS Committee can be made by a majority of members via a circular resolution.
- The member shall abstain from all deliberation and voting in respect of the Offer proposed to be granted to him/ her and person connected to him / her as an Eligible Person under the scheme.
- The Chairman of the Committee shall report the proceedings of the Committee Meetings to the Board upon request by the Board.

4. DUTIES AND RESPONSIBILITIES

The ESOS Committee shall administer the ESOS in accordance to the By-Laws and in such manner, and at its discretion deems fit and, within such powers and duties as are conferred upon it by the Board. The ESOS Committee may, for the purpose of administering the scheme, do all acts and things and enter into any transactions, agreements, deeds, documents or arrangements and make rules, regulations or impose terms and conditions or delegate part of its power relating to the scheme which it may in its discretion consider to be necessary or desirable for giving full effects to the scheme.

The duties, responsibilities and functions of the ESOS Committee shall, inter alia, include:-

- The ESOS Committee may at any time and from time to time recommend to the Board any additions, amendment to and/or modification of any of the provisions of the By-Laws as it shall in its discretion deems fit, subject to the compliance with the requirements of Bursa Malaysia Securities Berhad and other relevant authorities.

- To administer the Offer to Eligible Persons and acceptance thereof.
- To determine the number of VHB Shares to be made available under the scheme and/or allocation thereof shall be staggered over the duration of the scheme.
- To review the duration of the scheme and recommend to the Board before Date of Expiry of the scheme if further extension or renewal is required.
- To decide the total number of Option that may be offered to an Eligible Person under the scheme at any time after taking into consideration the performance, contribution, employment grade, seniority and/or length of service to the Group and/or such other criteria as the ESOS Committee may deem relevant (subject always to the By-Laws and any applicable laws).
- To nominate the subscription price of each share for the Board's approval.
- To determine the limit on the exercise of Option, including the number of shares exercisable and the prescribed Option period and to impose any other terms and/or conditions it deems fit.
- To administer the exercise of Option and to ensure remittance for the full amount of subscription monies.
- To administer the exercise and/or termination of an Option in the event the employee ceases to be in the employment of the Company by reason of:-
 - resignation;
 - retirement;
 - transfer to any corporation outside the Group at the direction of the Company;
 - redundancy;
 - ill health, injury, physical or mental disability or insanity;
 - bankruptcy;
 - death; or
 - any other circumstances which are acceptable to the ESOS Committee subject to the approval and/or ratification by the Board.
- Subject to the applicable laws, to vary or revise any of the eligibility criteria at any time and from time to time at its absolute discretion.
- To carry out any duties deemed incidental or ancillary in relation thereto.

5. REVISION OF THE TERMS OF REFERENCE

Any revision or amendment to the Terms of Reference, as proposed by the ESOS Committee shall be first be presented to the Board for approval and the said revision or amendment shall form part of this terms of Reference upon the Board's approval.