

## **TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE**

### **1. TERMS OF MEMBERSHIP**

- 1.1 The Nomination and Remuneration Committee shall be appointed by the Board of Directors and shall consist of not less than two (2) members comprising exclusively Non-Executive Directors, the majority of whom shall be independent directors.
- 1.2 In the event of any vacancy in the Nomination and Remuneration Committee resulting in the non-compliance of the above, the Company must fill the vacancy within three (3) months.
- 1.3 The Board must review the term of office and performance of the Nomination and Remuneration Committee and each of its members at least once every three (3) years to determine whether such Nomination and Remuneration Committee and members have carried out their duties in accordance with their terms of reference.

### **2. CHAIRMAN**

The Chairman shall be elected by the Nomination and Remuneration Committee from among their members.

### **3. FUNCTIONS**

The Nomination and Remuneration Committee shall:-

- i. recommend to the Board, the candidates for all directorships. In making its recommendations, the Nomination and Remuneration committee should consider the candidates:-
  - skills, knowledge, expertise and experience;
  - professionalism;
  - integrity; and
  - in the case of candidates for the position of Independent Directors, the Nomination and Remuneration Committee should also evaluate the candidate's ability to discharge such responsibilities/functions as expected from Independent Directors;
- ii. consider, in making its recommendations, candidates for directorships proposed by the Managing Director and, within the bounds of practicability, by any other senior executive or any director or shareholder;
- iii. recommend to the Board, directors to fill the seats on board committees;
- iv. the Nomination and Remuneration Committee shall recommend to the Board, the remuneration of the Executive Directors in all its forms, drawing from outside advice as necessary and the Executive Directors shall play no part in decisions on their own remuneration;

- v. determination of remuneration packages of Non-Executive Directors, including Non-Executive Chairman, should be determined by the Board as a whole and the individuals concerned should abstain from discussing their own remuneration;
- vi. determination of Managing Director's perks and benefits;
- vii. succession planning of Managing Director, Management Team and the Company Secretary;
- viii. assess annually the effectiveness of the board as a whole, the committees of the board and the contribution of each existing individual director and thereafter, recommend its findings to the Board;
- ix. setting of Managing Director and Management Team, Company Secretary and Internal Audit Key Performance Objectives and review of the team's performance;
- x. ensure that all directors undergo appropriate induction programs and receive continuous training;
- xi. reviewing Management Trainee's development and progress;
- xii. review annually the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and thereafter, recommend its findings to the Board;
- xiii. apply the process as determined by the Board, for assessing the effectiveness of the Board as a whole, the committees of the Board, and for assessing the contribution of each individual director, including Independent Directors, as well as the Managing Director where all assessments and evaluations carried out by the Nomination and Remuneration Committee in the discharge of all its functions should be properly documented; and
- xiv. review the tenure and performance of each directors, where annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the Board.

#### **4. STRUCTURES AND PROCEDURES**

- 4.1 The Nomination and Remuneration Committee should meet regularly, with due notice of issues to be discussed and should record its conclusion in discharging its duties and responsibilities. The Nomination and Remuneration Committee should disclose the number of Nomination and Remuneration Committee meetings held in a year and the details of attendance of each individual member in respect of meetings held. The quorum shall be two (2) members with majority of independent directors.
- 4.2 The Nomination and Remuneration 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 Directors, for the Company's own records and for the

purposes of meeting statutory requirements, as well as obligations arising from the Bursa Listing Requirements and/or other regulatory authorities.

4.3 The Company Secretary shall be the secretary of the Nomination and Remuneration Committee.

**5. ACCESS TO ADVICE**

In furtherance to their duties as the Nomination and Remuneration Committee's members of the Company, there should be an agreed procedure for the members, whether as a full Nomination and Remuneration Committee or in their individual capacity, to take independent professional advice at the Company's expense, if necessary.

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