

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

### **1.0 OBJECTIVES**

1.1 The general objectives of the Nomination and Remuneration Committee are as follows:

- (i) To identify, select, nominate and recommend to the Board, candidates for directorships of the Company and its subsidiaries (“Group”);
- (ii) To evaluate the effectiveness of the Board, Board Committees and contributions of each individual director;
- (iii) To assess and consider the appointment and renewal of service contracts of the Executive Directors, Chief Executive Officer (“CEO”) and Key Senior Management of the Group; and
- (iv) To make recommendation on the remuneration package for the Non-Executive Directors, Executive Directors, CEO and Key Senior Management of the Group.

### **2.0 MEMBERSHIP**

2.1 Members of the Committee shall be appointed by the Board comprising of at least three (3) members, all of whom shall be Non-Executive Directors with the majority being Independent Directors.

2.2 Chairman of the Committee shall be an Independent Director.

2.3 An Alternate Director shall not be appointed as member of the Committee.

2.4 The appointment of a Committee member terminates when the member ceases to be a Director, or as determined by the Board.

2.5 In the event of any vacancy in the Committee resulting in non-compliance with item 2.1 above, the Board must fill the vacancy as soon as practicable within three (3) months.

2.6 The Committee shall have no executive powers.

### **3.0 GENERAL AUTHORITY**

3.1 The Committee shall have the following authority:-

- (i) To make decision on matters which fall within the purpose and responsibilities of the Committee;
- (ii) The Committee, whenever necessary and reasonable for the performance of its duties and in accordance with the same procedures adopted by the Board and at the expense of the Group, shall:-
  - a. Have the resources which are required to perform its duties;
  - b. Have full and unrestricted access to any employee and information pertaining to the Group; and
  - c. Be able to engage independent professional advisers or other advisers and to secure attendance of outsiders with relevant experience and expertise if deemed necessary or expedient to decide on any matters within its terms of reference.

### **4.0 DUTIES AND RESPONSIBILITIES**

4.1 The following are the main duties and responsibilities of the Committee:-

- (i) To determine and review the criteria for Board membership including qualities, experience, skills, education, time commitment and other factors that will best qualify a candidate to serve on the Board;
- (ii) To review, recommend and consider candidates to be appointed to the Board of the Company, to the Board of functional/active subsidiaries and associates of the Group;
- (iii) To make recommendations to the Board on election/appointment and re-election/re-appointment of Directors to the Board of the Company;
- (iv) To assist the Board in nominating candidates for Board Committees;
- (v) To establish and implement the criteria and process for assessing the effectiveness of the Board as a whole, the Committees of the Board and the contribution and performance of each Director and independence of each Independent Director;
- (vi) To review and assess annually the overall composition of the Board in terms of appropriateness of size, composition, balance between the executive, non-executive and independent directors, required mix of skills, experience and core competencies;
- (vii) To review annually the terms of office and performance of the Audit Committee and its members;

- (viii) To evaluate and recommend the appointment of senior executive positions, including that of the Executive Director and CEO and their duties and the continuation (or not) of their services;
- (ix) To assist the Board in establishing appropriate succession plan for Key Senior Management including the appointment, development and where appropriate, the replacement of Key Senior Management personnel of the Group;
- (x) To recommend to the Board a policy on gender diversity in the Board and Senior Management;
- (xi) To provide the Directors access to adequate training for continual education including orientating new Directors with respect to the business, structure and management of the Group;
- (xii) To make recommendations to the Board on the Remuneration Framework for the Executive Directors, CEO and Key Senior Management, make recommendation to the Board on all elements of the remuneration, terms of employment, reward structure and fringe benefits for the Executive Directors, CEO and Key Senior Management;
- (xiii) Assist the Board in reviewing the key performance indicators, performance, compensation and remuneration packages of the Executive Directors, CEO and Key Senior Management and to make appropriate recommendations to the Board;
- (xiv) To make recommendation to the Board on the remuneration and entitlement of the Non-Executive Directors. Such remuneration and entitlement shall be a matter to be decided by the Board as a whole. In considering the remuneration and entitlement, the Committee shall take into consideration the need to attract, retain and motivate individuals of the necessary calibre;
- (xv) To make recommendation to the Board on the annual performance bonus and salary increment of the Executive Directors, CEO, Key Senior Management and employees after taking into consideration the Group's performance against the set key performance indicators; and
- (xvi) To undertake such other functions and consider other matters that may be referred to the Committee by the Board.

## **5.0 QUORUM AND MEETINGS**

- 5.1 The Committee shall meet at least once a year or as and when it deems necessary to fulfill its responsibilities. The Committee may establish any procedures from time to time to govern its meetings, keeping of the minutes and its administration.

- 5.2 Meetings of the Committee may be held in person, face-to-face and/or via telephone conferencing, video conferencing or other appropriate means as determined and agreed by the Committee which permits all persons participating in the meeting to communicate with each other, and at such time and place as the Committee determines.
- 5.3 The quorum for the meeting shall be two (2) members present, both of whom must be Independent Directors.
- 5.4 The Chairman of the Committee shall chair the meetings. In the absence of the Chairman at a meeting, the members present shall elect from among themselves, a Chairman for the meeting.
- 5.5 The Company Secretary shall be the Secretary of the Committee. The Company Secretary shall prepare the agenda for each meeting in consultation with the Chairman of the Committee. The agenda and the papers to be deliberated at the meeting shall be sent to the members of the Committee and any other persons who may be required to attend the meeting.
- 5.6 The Committee may invite other members of the Board, CEO, Senior Management or appropriate officers of the Group or professional advisers and consultants to attend the meetings of the Committee, as and when necessary.
- 5.7 The Committee may act by way of written resolution signed by all its members who may at the time be present in Malaysia and are sufficient to form a quorum.
- 5.8 The Committee shall cause minutes to be entered in the books provided for the purpose of all resolutions and proceedings of meetings of the Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.
- 5.9 The books containing the minutes of the proceedings of any meeting and resolution in writing of the Committee shall be kept at the registered office of the Company under the custodian of the Company Secretary.
- 5.10 Minutes of the Committee shall be distributed at the meetings of the Board.
- 5.11 The Committee, through its Chairman, from time to time may report on key issues discussed or submit its recommendations to the Board on matters within its purview for decision at Board meetings.
- 5.12 The Committee shall provide such information to the Board as deemed necessary to assist the Board in making certain disclosures concerning its activities and other information in the Corporate Governance Statement to be issued in the Annual Report.