

TERMS OF REFERENCE OF THE NOMINATING AND REMUNERATION COMMITTEE

1. COMPOSITION

The members of the Nominating and Remuneration Committee shall be appointed by the Board of Directors (“**Board**”) from amongst the Directors of the Company and shall comprise exclusively of Non-Executive Directors of not less than three (3), of which the majority shall be Independent Non-Executive Directors of the Company.

In the event that a member of the Nominating and Remuneration Committee resigns, dies or for any other reason ceases to be a member resulting in non-compliance of any of the requirements above, the Board, shall, within three (3) months of that event, appoint such number of new members as may be required to fill the vacancy.

2. CHAIRMAN

The Chairman of the Nominating and Remuneration Committee shall be an Independent Non-Executive Director appointed by the Board from time to time (“**Chairman**”).

3. SECRETARY

The Company Secretary shall be the Secretary of the Nominating and Remuneration Committee.

4. MEETINGS

The Nominating and Remuneration Committee shall meet at least once a year.

The notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be forwarded to each member of the Nominating and Remuneration Committee and any other persons who may be required to attend, at least seven (7) days prior to the date of the meeting.

Members of the Nominating and Remuneration Committee may participate in a meeting in person or by means of teleconference, video conference or any other form of audio and audio-visual communication which allows all persons participating in the meeting to hear and speak with each other, and such

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participation in a meeting shall constitute and be deemed present in person at the meeting.

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A member of the Nominating and Remuneration Committee should not vote on any matter in which he/she has any direct or indirect interest. Where possible, he/she should recuse himself/ herself from the portion of the meeting involving the potential conflict. A member should not be counted in the voting at a meeting for a resolution in which he/she is recused or barred from voting.

A simple majority of votes will decide any issue that requires a decision. In the event there is a deadlock, the Chairman shall have a second vote except where only two (2) members form a quorum or at the meeting which only two (2) members are competent to vote on the question at issue.

The Nominating and Remuneration Committee may establish any regulations from time to time to govern its administration.

5. ATTENDANCE AT MEETINGS

The quorum for meetings of the Nominating and Remuneration Committee shall consist of two (2) members of which the majority present must be Independent Non-Executive Directors.

In the absence of the Chairman and/or appointed deputy, the remaining members present shall amongst themselves elect a Chairman to chair the meeting, provided always that such Chairman shall be an Independent Non-Executive Director.

The Nominating and Remuneration Committee may invite other Board members or any person to be in attendance to assist it in its deliberations.

6. RESOLUTIONS IN WRITING

A resolution in writing signed whether in original or by facsimile, by the requisite members of the Nominating and Remuneration Committee who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Nominating and Remuneration Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.

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7. AUTHORITY AND RIGHTS

The Nominating and Remuneration Committee is authorised to seek any information it requires from the management of the Company and its subsidiary(ies) (“**Group**”) in order to perform its duties.

The Nominating and Remuneration Committee is authorised to obtain, at the Company’s expense, independent professional or other advice on any matters within its Terms of Reference, if it considers this necessary. In practice, the Nominating and Remuneration Committee should first consult with the Chairman of the Board and obtain the approval of the Board should any expenditure in connection therewith be expected to exceed RM30,000 in total, before proceeding.

8. FUNCTIONS AND DUTIES

The functions of the Nominating and Remuneration Committee are to assist the Board to fulfil its responsibilities in relation to the assessment of the Board effectiveness and to provide recommendations to the Boards in relation to the remuneration of the Directors and Senior Management personnel.

The Nominating and Remuneration Committee has the following duties and responsibilities:

a) Related to Nomination function:

(1) To propose new nominees for appointment to the Board.

(2) To review the character, experience, integrity, commitment, competency, qualification and track record of the proposed new nominees for appointment to the Board. In the case of nominees for the position of Independent Non-Executive Directors, to evaluate the nominee’s ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

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- (3) To review the structure, size and composition (including evaluating the mix and balance of the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes deemed necessary.
- (4) To recommend to the Board the continuation (or not) in service of Directors who are due for retirement by rotation.
- (5) To monitor and evaluate, on an annual basis, the effectiveness of the Board and its committees and develop appropriate procedures for individual evaluations.
- (6) To assess annually the independence of Independent Non-Executive Directors.
- (7) To ensure that orientation and education programme are provided to new Directors.
- (8) To consider succession planning in the course of its work, taking into account the challenges and opportunities facing the Company and what skills and expertise are needed on the Board in the future.
- (9) To undertake such other responsibilities as may be agreed to by the Board, or as may be required by law or the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

b) Related to Remuneration functions:

- (1) To review and recommend to the Board the framework of Executive Directors' remuneration and the remuneration package for each Executive Director, drawing from outside advice as necessary.
- (2) 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.
- (3) To review and recommend to the Board on the total individual remuneration package for Executive Directors and Senior Management personnel including, where appropriate, bonuses, incentive payments

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within the terms of the agreed remuneration policy and based on individual performance.

9. REVIEW OF TERMS OF REFERENCE

The Nominating and Remuneration Committee will review this Terms of Reference from time to time and make the necessary amendments to ensure it remains consistent with the Board's objectives, the needs of the Company and the Group, applicable laws and practices, principles of the Malaysian Code on Corporate Governance and the MMLR.

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