

TERM OF REFERENCE OF NOMINATING AND REMUNERATION COMMITTEE

MEMBERS

Lee Kok Jong

Chairman, Independent Non-Executive Director (appointed on 24 August 2017)

Wong Chin Chin

Member, Independent Non-Executive Director (appointed on 21 March 2017)

Koh Win Ton

Member, Independent Non-Executive Director (appointed on 21 March 2017)

TERMS OF REFERENCE

Composition of member

The members of the Nominating and Remuneration Committee shall be appointed by the Board from among its members and shall consist of at least three (3) members. All the Nominating and Remuneration Committee members must be Non-Executive Directors with a majority of them being Independent Directors.

The Nominating & Remuneration Committee shall elect a Director from amongst its members as its Chairman.

The Nominating & Remuneration Committee's primary responsibilities include:

- a) Leading the process for Board appointment and making recommendations to the Board after considering the candidates' experience, integrity and evaluating Independent Non-Executive Directors' ability to discharge their responsibilities and functions as Independent Directors;
- b) Assessing the performance of Board, its Committees and individual Directors at least annually, with the evaluation outcome properly documented to facilitate reference whenever a need arises; and
- c) Annually reviewing the required skills and core competencies of Non-Executive Directors.
- d) Establishing, reviewing and recommending to the Board a suitable remuneration framework that regulates the remuneration packages of Directors and Senior Management.

Quorum

The quorum for the meeting of the Nominating & Remuneration Committee shall be two (2).

Secretary

The Secretary of the Committee shall be the Company Secretary.

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Meetings

- (a) The Nominating & Remuneration Committee will meet at least once per year unless otherwise determined by the Nominating & Remuneration Committee. The Nominating & Remuneration Committee will provide the schedule of Nominating & Remuneration Committee meetings to the Board of Directors.
- (b) Special meetings may be convened as required. The Nominating & Remuneration Committee, or its Chair, shall report to the Board of Directors on the results of these meetings. The Nominating & Remuneration Committee may invite to its meetings other Directors, Company management and such other persons as the Nominating & Remuneration Committee deems appropriate in order to carry out its responsibilities.
- (c) Committee Members shall be deemed to be present at a meeting of the Committee if he participates by instantaneous telecommunication device and all members of the Committee participating in the meeting of the Committee are able to hear each other and recognise each other's voice, and for this purpose, recognition constitutes prima facie proof of participation. For the purposes of recording attendance, the Chairman or Secretary of the Committee shall mark on the attendance sheet that the Committee Member was present and participating by instantaneous telecommunication device.
- (d) A Committee Member may not leave the meeting by disconnecting his instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the Meeting and a Committee Member will be conclusively presumed to have been present and to have formed part of the quorum at all times during the Committee Meeting by instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the Meeting to leave the meeting.
- (e) Minutes of the proceedings at a Committee Meeting by instantaneous telecommunication device will be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as correct minutes by the Chairman of the Meeting.
- (f) Instantaneous telecommunication device means any telecommunication conferencing device with or without visual capacity.
- (g) A resolution in writing signed and approved by a majority of the Committee and who are sufficient to form a quorum shall be as valid and effective as if it had been passed at a Meeting of the Committee duly called and constituted.

Minutes

The minutes of each meeting shall be kept and distributed to each member. All minutes of meetings shall be circulated to every member of the Board. The Chairman of the Committee shall report on each meeting to the Board. A director shall abstain from deliberations and voting on decisions in respect of his/her remuneration package. .

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Authority

The Nominating & Remuneration Committee is authorised by the Board of Directors to carry out its duties mentioned above and the other Directors and employees of the Group are required to give full assistance to the Nominating & Remuneration Committee in discharging their duties. The Nominating & Remuneration Committee will have full, free and unrestricted access to the Company's records, properties and personnel in carrying out its duties and responsibilities. In addition, the Nominating & Remuneration Committee is also authorised to seek for external professional expertise when required.

Duties and Responsibilities

The Nominating & Remuneration Committee shall:

- a) Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- b) Evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment of Director;
- c) Review the time required from a Non-Executive Director. The performance evaluation should be used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties;
- d) Consider candidates from a wide range of backgrounds and look beyond the "usual suspects";
- e) Give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Group and what skills and expertise are needed on the Board in the future;
- f) Regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes;
- g) Keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace;
- h) Make a statement in the annual report about its activities; the process used for appointments and explain if external advice has been used; membership of the Committee, number of Committee meetings and attendance of members over the course of the financial year;
- i) Ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings;
- j) To establish and recommend to the Board, the remuneration package for Directors and Senior Management such as the terms of employment or contract of employment/service,

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benefit, pension, incentive scheme, bonuses, fees, expenses, compensation payable on termination of the service contract by the Company and/or the Group etc;

- k) The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors and Senior Management needed to run the Company and Group successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved;
- l) The level of remuneration for the Directors and Senior Management is recommended by the Nominating & Remuneration Committee for Board's approval after giving due consideration to the compensation levels for comparable positions amongst other similar Malaysian public listed companies;
- m) No Director other than the Executive Directors shall have a service contract with the Company;
- n) There shall be adequate disclosure in the Annual Report on the remuneration of Directors in accordance with the LR;
- o) The Committee will make the following recommendations to the Board:
 - Plans for succession for Directors and Senior Management in order to maintain an appropriate balance of skills on the Board;
 - Concerning the re-election by shareholders of any Director under retirement by rotation provisions in the Company's Articles of Association;
 - Concerning any matters relating to the continuation in office of any Director at any time; and
 - Concerning the appointment of any Director to executive or other office other than to the positions of Chairman and Group Managing Director, the recommendation for which shall be considered at a meeting of the Board.
- p) In the event the Board appoints a new Chairman, the Nominating & Remuneration Committee shall be guided by the following principles prior to making recommendations to the Board:
 - That the Senior Independent Director leads the appointment process;
 - That a systematic evaluation be undertaken to identify the skills and expertise required for the role; and
 - That all short listed candidates be considered with the possibility of obtaining external advice, if necessary.