

## **NOMINATION AND REMUNERATION COMMITTEE**

### **TERMS OF REFERENCE**

#### **1. Objective**

- 1.1 The Committee is responsible for recommending to the Board for approval of the following appointments:
- a) Members of the Board;
  - b) Members of the Board committees; and
  - c) Key Senior Management such as Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and etc.
- 1.2 The Committee is responsible for recommending to the Board the policy, framework and quantum values for the executive directors and key senior management' remuneration, the remuneration package for each director, including those serving in subsidiary companies.

#### **2. Composition**

- 2.1 The Committee shall be appointed by the Board of Directors ("Board") from amongst the directors of the Company and shall consist of no fewer than three (3) members, all of whom should be exclusively of Non-Executive Directors, and a majority of whom must be independent.
- 2.2 The Chairman of the Committee shall be appointed among the members of the Committee who shall be an Independent Non-Executive Director or Senior Independent Non-Executive Director.

#### **3. Meetings and Quorum**

- 3.1 The Committee shall meets as required and at least once a year and at such time as the Chairman of the Committee shall require.
- 3.2 In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves who is independent to chair the meeting.
- 3.3 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Chairman of the Committee or the Chairman of the Board.
- 3.4 Meetings and proceedings of the Committee will be governed by the Company's own Constitution regulating the meetings and proceedings of Directors.
- 3.5 The quorum for the Committee meeting shall be at least two (2) members present at the meeting, one of whom must be an Independent Director. For the purpose of this provision, any Committee member who is able (directly or by telephone communication) to speak and be heard by each of the other Committee members present, shall be deemed to be present in person at such meeting and shall be entitled to vote or be counted in the quorum accordingly.

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- 3.6 Each member of the Committee is entitled to one (1) vote in deciding the matters deliberated in the meeting. The decision that gained the majority votes shall be the decision of the Committee. In the event of an equality of votes, the Chairman of the Committee shall be entitled to a second or casting vote.
- 3.7 The Committee may invite any senior management staff, professional adviser or other Directors to be in attendance.
- 3.8 The Company Secretary shall be the secretary of the Committee or in her absence, another person authorized by the Chairman of the Committee.
- 3.9 The Secretary shall minute the proceedings and resolutions of the Committee meetings, including the names of those present and in attendance.
- 3.10 The minutes of meetings of the Committee shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.
- 3.11 A Resolution taking the form of one or more documents in writing signed or approved by other electronic communications by a majority of the members of the Committee, provided that they are sufficient to form a quorum at a meeting of the Committee, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted; provided that the resolution is circulated to all members of the Committee. All such resolutions shall be described as "Circular Resolution of Committee" and shall be forwarded or otherwise delivered to the Secretary upon signing without delay, and shall forthwith be recorded by the Secretary in the Company's Minute Book. Any such resolution in writing may be contained in one (1) document or separate copies thereof (which may be prepared and circulated by electronic communications with copy sent by courier or registered post) which is signed by one (1) or more of the member of the Committee.

#### **4. Authority**

- 4.1 The Committee is authorised by the Board at the expense of the Company to investigate any matter within duties as set out in these terms of reference. It is authorised to seek any information it requires from any Director or employee in order to perform its duties and all Directors and employees are required to co-operate with any request made by the Committee.
- 4.2 In connection with its duties the Committee is authorised by the Board to obtain, at the Company's expense, any outside legal or other professional advice. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.
- 4.3 The Committee is authorised to have the resources which are required to perform its duties, have full and unrestricted access to any information pertaining to the Company and have direct communication channels with the directors.

## **5. Duties and Responsibilities**

### **Specific responsibilities in relation to nomination matters include, to: -**

- Formulating the nomination, selection, assessment and succession policies for members of the Board and the Group's Key Senior Management as may be determined by the Committee from time to time;
- To assist the Board to annually review the structure, size and composition and the required mix of skills and experience and other qualities including core competencies required by the Board and compared to its current position and make recommendations to the Board with regard to any changes.
- To review and recommend to the Board, candidates to fill board vacancies as and when they arise.
- Before any appointment to the Board, evaluate the balance of skills, knowledge, experience, age, cultural background, boardroom diversity including gender diversity and time commitment on the Board and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In making its recommendation, the Committee should consider the candidate's:
  - Skills, knowledge, education, qualities, expertise and experience;
  - Competencies, commitment, contribution and performance;
  - Professionalism;
  - Integrity; and
  - In the case of candidates for the position of independent non-executive directors, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/function as are expected from independent non-executive directors;
- To review and recommend the re-appointment of any non-executive director at the conclusion of their term office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required.
- Reviewing the term of office and performance of Audit Committee and each of its members annually to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference;
- Reviewing and recommending to the board the appointment of members of other Board committees established by the Board from time to time;
- To ensure the board composition meets the needs of the Company.
- To develop, maintain and review the criteria to be used in the nomination and recruitment process and annual assessment of directors.
- To review and recommend to the Board, directors to fill the seats on Board committees.

- To assess the effectiveness of the Board as a whole and committees of the Board and assess the contribution of each individual director, including the independent non-executive directors, as well as the chief executive officer.
- To review and recommend the re-appointment and re-election of Directors of the Company for shareholders' approval.
- To facilitate board induction and training programmes.
- To consider and examine such other matters as the Committee considers as appropriate.
- To assist the Board to provide the explanation in the Annual Report of the Company if the selection of candidates for appointment of Directors was not utilised the independent sources and solely based on recommendations made by existing board members, management or major shareholders.

**Specific responsibilities in relation to remuneration matters include, to: -**

- To review, deliberate and recommend the annual salaries, incentive arrangements, service arrangements and other employment condition for the executive directors and key senior management.
- To review such a policy on a yearly basis and make any adjustments as deemed necessary to ensure the Group can attract and retain executives of the necessary quality in a highly and increasingly competitive market place.
- To review, with the executive directors if necessary, their job functions and to ensure that remuneration commensurate with performance and the executive director does not participate in decisions in his own remuneration packages.
- To review the remuneration arrangements of the executive directors to be in line with the Group's overall practice on pay and benefits in order to reward them competitively after taking into account performance, market comparisons and competitive pressures in the industry.
- The Committee should ensure that details of the remuneration of each Director are disclosed in the Annual Report on a named basis.

**6. Reporting Procedure**

- 6.1 The Chairman of the Committee shall report formally to the Board at the next Board Meeting after each Committee meeting on its proceedings on all matters within its duties and responsibilities.
- 6.2 The Committee may from time to time submit to the Board its recommendation on matters within its purview, for the Board's decision.
- 6.3 The minutes of each meeting shall be available to all members of the Board upon request.

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**7. General**

- 7.1 The Committee shall arrange for periodic review of its own constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 7.2 The Committee members shall be appointed by the Board of Directors and the Board of Directors may revoke the appointment of a member and/or vary the term of appointment of a member at any time as it deems fit.
- 7.3 Nothing in these Terms of Reference is intended to, amend, detract from or conflict with the Company's own Constitution, and in such event the Company's own Constitution shall prevail.

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