



## **ASDION BERHAD**

(Company No. 200201023149 / 590812-D)  
(Incorporated in Malaysia)

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



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### **1. Objectives**

The objectives of the Nominating and Remuneration Committee ("the Committee") are as below:-

- a) To recommend candidates to the Board of Directors. The Committee shall be responsible in ensuring the appropriate Board balance and size, and that the Board has a required mix of skills, experience and other core competencies. Based on the process and procedures laid out and ensure proper documentation of all assessment and evaluation on the effectiveness of the Board, the Board Committee and the contribution of each individual Director.
- b) To review and recommend to the Board the remuneration packages and benefits of the Board of Directors in all its forms structured to link to level of executive responsibilities and company's performance.
- c) The Committee shall also assist to set the policy framework and to make recommendations to the Board on all elements of the remuneration, terms of service or employment, reward structure and fringe benefits for Executive Directors, Non-Executive Directors and senior management with the aim to attract, retain and motivate individuals of the highest quality.

### **2. Composition**

The Committee shall be appointed by the Directors from amongst its members and shall comprise exclusively of Non-Executive Directors, a majority of whom shall be Independent Directors.

The members of the Committee shall elect a Chairman from amongst themselves who is an Independent Director. The Chairman of the Committee shall be approved by the Board of Directors.

All members of the Committee, including the Chairman, shall hold office only so long as they serve as Directors of the Company.

Any vacancy in the Committee shall be filled within three (3) months.

No alternate Director shall be appointed as a member of the Committee.

The Secretary of the Committee shall be the Company Secretary of the Company.

### **3. Meeting**

The Committee shall meet as and when required upon request by the members, provided that the Committee shall meet at least once a year.

The Committee Meetings shall be chaired by the Chairman of the Committee. A quorum shall consist of two (2) members, one of whom shall be an Independent Non-Executive Director. In the absence of the Chairman of the Committee, the members present shall elect from amongst themselves, a chairman for the Meeting.

All matters arising from meetings of the Committee shall be determined by a majority of votes. In the event of an equality of votes, Chairman shall have a casting vote.

Any officers of the Company may be invited to attend where their presence is considered appropriate as determined by the Committee Chairman.



All recommendations and findings of the Committee shall be reported to the Board of Directors through its Chairman for approval and notation respectively. The Company Secretary of the Company acts as the Secretary of the Committee who shall be in attendance and shall record the proceedings of the meeting. In the absence of a meeting, any issues shall be resolved through circular resolution.

#### **4. Authority**

The Committee in performing its duties shall in accordance with a procedure determined by the Board of Directors and at the cost of the Company.

- a) Full, free and unrestricted access to any information, records, properties and personnel of the Company;
- b) Review, assess and recommend to the Board of Directors the remuneration packages of the Executive Directors and senior management in all forms;
- c) The power to obtain independent professional advice and expertise necessary for the performance of its duties; and
- d) Be able to secure the attendance of external advisers and shall have the discretion to decide who else other than its own members to attend meetings, if the Committee thinks fit.

All members of the Committee shall have access to the advice and services of the Company Secretary.

#### **5. Duties and Responsibilities**

The duties and responsibilities of the Committee are as follows:-

- a) Nomination of Directors
  - i. To review and recommend to the Board the optimum size of the Board that reflects the desired balance of skills and competencies.
  - ii. In making its recommendations, to consider candidates for directorships proposed by the Executive Directors and, within the bounds of practicability, by any other Directors or shareholders.
  - iii. To review annually the required mix of skills and experience and other qualities including core competencies which Executive and Non-Executive Directors should have, and to consider and facilitate achievement of board gender diversity policies, targets and measures to achieve it.
  - iv. To assess the effectiveness of the Board and Board Committees as a whole and the contribution of each individual Director and Board Committee member. All assessments and evaluations carried out by the Committee would be properly documented and feedback to the Directors in respect of their performance.
  - v. To recommend to the Board in nominating the membership of other Board Committee members.
  - vi. To assess the retirement of Directors by rotation and eligibility for re-election or re-appointment and ensure that at every annual general meeting, one-third of the Directors for the time being shall retire from office. Every Director shall be subjected to retirement at least once in every 3 years.

- vii. To assess on an annual basis, the tenure of an Independent Director should not exceed a cumulative term of nine years. Upon completion of the nine years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. To retain as Independent Directors, the Board must justify and seek annual shareholders' approval for a person who has served in that capacity for more than nine (9) years. If the Board continues to retain the Independent Director after the twelfth year, the Board should seek annual shareholders' approval through a two-tier voting process.
  - viii. To ensure that orientation and education programmes are provided for new members of the Board and to review the Directors' continuing education programmes for existing members of the Board.
  - ix. To give full consideration to succession planning for Directors in the course of its work, taking into account the challenges and opportunities facing by the Company.
  - x. To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors.
- b) Remuneration of Directors
- i. To set, review, recommend and advise the policy framework on all elements of the remuneration such as reward structure, fringe benefits and other terms of service or employment of the Executive Directors, Non-Executive Directors and senior management.
  - ii. To assess the remuneration package to ensure that the rewards comparable within the industry and with comparable companies are linked to corporate and individual performance, experience and level or responsibilities undertaken by each individual Director and senior management.
  - iii. To recommend to the Board of Directors the remuneration packages of the Executive Directors, Non-Executive Directors and senior management.
  - iv. To ensure the levels of remuneration be sufficiently attractive and be able to retain Directors and senior management needed to run the Company successfully.
- c) Other
- i. To carry out other responsibilities, functions or assignments as may be defined by the Board of Directors from time to time.
  - ii. To consider and examine such other matters as the Committee considers appropriate.
  - iii. Such other duties or functions as may be delegated by the Board or required by regulatory authorities.