

IREKA CORPORATION BERHAD

Registration No.: 197501004146 (25882-A)

TERMS OF REFERENCE OF THE NOMINATION & REMUNERATION COMMITTEE

Objectives

The principal objectives of the Nomination & Remuneration Committee (“NRC”) is to assist the Board of Directors in their responsibilities by ensuring:

- (i) that the nomination of prospective candidates to be appointed to the Board and Board Committees is based on approved criteria;
- (ii) that the Board and the Board Committees have an effective and balance composition with a diverse mix of skills, experience, age and gender to discharge their responsibilities effectively;
- (iii) that an annual assessment is conducted on the effectiveness of the Board and the Board Committees and the contribution of each individual Director and the independence of Independent Directors;
- (iv) that the Group has in place a succession plan for the Board and the Managing Director of the Company; and
- (v) that the Group has in place a remuneration framework and policy consistent with the Group’s business strategy and a competitive remuneration structure to attract and retain the right talent in the Board in order to drive the Group’s long term objectives.

Memberships

1. The members of NRC shall be appointed by the Board of Directors from among the Directors of the Company and shall comprise not fewer than three (3) members, all of whom must be non-executive directors, with a majority being independent.
2. The members of NRC shall elect a Chairman from among their members who shall be an independent director. The Chairman of NRC shall be approved by the Board of Directors. In the absence of the committee’s Chairman, the remaining members present shall elect one of their numbers to chair the meeting. The Chairman of the NRC should assume, amongst others, the following roles:
 - (i) Conduct the NRC meeting and report to the Board on matters deliberated and recommended by the NRC;
 - (ii) Lead the succession planning and appointment of Board members, including the future Chairman and the Managing Director; and
 - (iii) Lead the annual review of board effectiveness, ensuring that the performance of each individual Director is independently assessed.
3. In the event of any vacancy in the NRC resulting in the number of members falling below three (3) members, the Board of Directors must fill the vacancy within three (3) months from the date of the vacancy.

4. The term of office of the NRC shall be reviewed at least once a year by the Board of Directors; to assess whether the NRC have carried out their duties in accordance with their Terms of Reference.

Authority

1. To have full and unrestricted access to the Group's records, information, personnel and other resources; and
2. To seek other independent professional advice if it considers this necessary.

Duties and Responsibilities

1. To Consider and recommend to the Board the selection criteria for new appointment as Directors and the Group, after considering the following attributes of the candidates:
 - skills, knowledge, expertise and experience;
 - time commitment, character, professionalism and integrity;
 - specialist knowledge or technical skills in line with the Group's strategy;
 - diversity in age, gender and experience/background;
 - number of directorships in companies outside the Group; and
 - in the case of candidates for the position of independent non-executive directors, to evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors and time commitment expected from them.
2. To identify, consider and recommend suitable persons for appointment as Directors, its Group and members of the Board Committees, relying on sources from existing Board members, Management, major shareholders, independent search firms and other independent sources.
3. To regularly review the structure, size and composition (including the skills, knowledge, experience, diversity and other qualities) required of the Board, including core competencies which non-executive directors should possess and be able to contribute to the Board including assessment on whether the directors are spending enough time to fulfil their duties, and make recommendations to the Board with regard to any changes.
4. To assist the Board to introduce a criteria and to formulate and implement a procedure to be carried out by the Committee annually for assessing the effectiveness of the Board as a whole, the board committees, the contribution of each individual director and the independence of independent directors, and reporting to the Board at the end of each financial year with an assessment of the Board's performance and areas in which the Board, board committees or individual director could improve on.
5. To review the retirement of Directors who are eligible for re-election and the retention of Directors who have served beyond nine (9) years as independent directors, and assess their eligibility for re-election or retention;
6. To ensure new Directors go through a proper induction programme and evaluate training requirements for the Directors to ensure they keep abreast with the developments in the industry and changes in the regulatory requirements.

7. To ensure the succession plans are in place for the Board Chairman, other Board members and key senior management positions.
8. To review, on an annual basis, the terms of office and the performance of the Audit Committee and its members to ensure their duties are fulfilled in accordance with their terms of reference.
9. To establish a framework for a competitive salary and benefit scheme for the Executive Directors of the Company in line with current trends in the industry to attract, motivate and retain the Executive Directors of calibre to run the Group successfully.
10. To review the remuneration package of each Executive Director for appropriate increment and bonus which commensurate with the performance of each Executive Director and also the Company's business performance.
11. To review as and when necessary the adequacy of the remuneration and benefit packages of the Executive Directors to ensure that these are within current market range for the industry with due regard to the interest of shareholders and other stakeholders.
12. To review and recommend the remuneration of Non-executive Directors to the Board.
13. To carry out such other responsibilities as may be delegated by the Board from time to time and such other matters as the NRC considers appropriate.

Reporting Responsibilities

1. The Chairman shall report the proceedings of each NRC meeting to the Board.
2. The NRC shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
3. Any decision or recommendation made by NRC shall be subject to the review and ultimate approval of the Company's Board of Directors.

Meeting Procedures

1. Frequency and calling
The NRC shall meet at least annually or more frequently as the Chairman may determine. A member of the NRC may request a meeting if it is considered necessary.

Other members of the Board and Management may attend meetings upon the invitation of the NRC.

2. Notice
The NRC meetings shall be called by the Secretary of the NRC at the request of the NRC Chairman.

The Secretary shall prepare the agenda in consultation with the Chairman. The notice period convening the NRC meeting shall be at least five (5) working days prior to the meeting, which may be waived with the consent of all NRC members.

3. Quorum
The quorum for a meeting of the NRC shall be two (2) members, whom shall be an independent non-executive director.

Any member of the NRC may participate at a meeting by way of telephone and video conferencing or by means of other communication equipment in which event such member shall be deemed to be present at the meeting.
4. Voting
All resolutions of the NRC shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman shall have a second or casting vote.

An NRC member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.
5. Secretary
The Secretary of the Company shall serve as the Secretary of NRC.
6. Minutes of meetings
The minutes of the meeting shall record the deliberations and decisions of the NRC. The minutes of each meeting shall be tabled and circulated for each member's record. The Chairman's confirmation of the minutes shall be taken as a correct record of the proceedings thereat. The Secretary shall be responsible for keeping the minutes of meetings.

Circular Resolution

1. A resolution in writing signed or approved by a majority of the members who are sufficient to form a quorum, shall be as valid and effective as if the same has been passed at a meeting of the NRC duly convened and held.
2. Any such resolution may consist of several documents in like form, each signed by one or more members. Any such document, may be accepted as sufficiently signed by a member if transmitted to the Company by facsimile or any electronic means purporting to include a signature of the member.

This Terms of Reference was reviewed and approved by the Board on 27 February 2020.