



**ENCORP BERHAD
TERMS OF REFERENCE OF THE
NOMINATING AND REMUNERATION
COMMITTEE**

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1. Objective

The establishment of the Nominating and Remuneration Committee (“NRC”), amongst others, is to assist the Board in nominating new directors, assessing annually the effectiveness of the Board and its Committee, as well as, recommending to the Board the remuneration of the Board of Directors and senior management.

2. Composition

The NRC shall consist wholly of non-executive directors, with the majority being independent directors.

3. Chairman

The Chairman and members of the NRC shall be appointed by the Board. In the absence of the Chairman, the members shall elect a Chairman for the meeting from amongst the members present.

The Chairman of the Committee shall be appointed by the Board and shall be the Senior Independent Director or an Independent Director of the Company.

The Chairman of the NRC shall lead the succession planning and appointment of board members, and lead the annual review of board effectiveness, ensuring that the performance of each individual director is independently assessed.

4. Secretary

The Company Secretary shall be the Secretary of the NRC.

5. Notice of Meeting, Agenda and Board Papers

The Company Secretary prepares the notice of meeting and agenda for each meeting. The Company generally adopts the Constitution of the Company for disseminating notice of meeting and agenda. The appropriate preparatory Board papers are sent to the Board members at least five (5) business days in advance of the meetings to allow adequate meeting preparation.

6. Meetings

- 6.1 The NRC shall meet at least two times a year, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. The Chairman may call for additional meetings at any time at the Chairman’s discretion. NRC meetings may be held at two or more venues within or outside Malaysia using any technology that enables the members as a whole to participate for the entire duration of the meeting.

ENCORP BERHAD
(Company No. 200001004231 (506836-X))
(Incorporated in Malaysia)

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- 6.2 The chief executive officer, the chief operating officer, other Board members and employees may attend meetings upon the invitation of the NRC.
- 6.3 The Company Secretary will assist the Chairman in planning the NRC's work, drawing up meeting agendas, maintaining minutes and any necessary secretarial support.
- 6.4 When presenting any recommendation to the Board, the NRC will provide such background and supporting information as may be necessary for the Board to make an informed decision.
- 6.5 Questions arising at any meeting of the NRC shall be decided by a majority of votes of the members present.
- 6.6 A member of the NRC shall abstain from discussion or deliberation and voting on matters which gives rise to an actual or perceived conflict of interest for him
- 6.7 The NRC, through its Chairman, shall report to the Board at the next Board meeting after each NRC meeting.

7. Resolution In Writing

A resolution in writing, signed by all the members of the NRC for the time being entitled to receive notice of a meeting of the NRC, shall be as valid and effectual as if it had been passed at a meeting of the NRC duly convened and held.

8. Minutes

- 8.1 Minutes of each meeting shall be kept at the registered office and distributed to each member of the NRC and also to the other members of the Board.
- 8.2 The minutes of the NRC meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

9. Quorum

The quorum for its meetings shall be a majority of members present.

10. Authority

The NRC shall, in accordance with a procedure to be determined by the Board and at the expense of the Company:-

- (a) have explicit authority to investigate any matter within its terms of reference;
- (b) have full and unlimited/unrestricted access to all information and documents/resources required to perform its duties; and
- (c) obtain independent professional or other advice.

Terms of Reference of Nominating and Remuneration Committee - cont'd

11. Duties

The duties of the NRC shall be:-

(a) new appointments, re-election and re-appointment

- to establish clear and appropriate criteria on the selection and recruitment of the board;
- to consider and recommend to the Board candidates for directorship based on a variety of sources including existing Board members, management, major shareholders and/or independent sources, taking into consideration the candidates' skills, knowledge, expertise, experience, time, commitment, character, professionalism, independence and integrity that fit the Company's objectives and strategic goals;
- to recommend to the Board candidates to fill the seats on Board as directors or Board Committees having regard to their ability to discharge the responsibilities/functions as required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR");
- to evaluate the balance of skills, knowledge, experience and diversity (including gender diversity), age, cultural background on the Board and senior management;
- to evaluate and recommend to the Board on the re-election and re-appointment of the directors who are subject to retirement at annual general meeting;
- to evaluate and recommend to the Board the appointment and removal of directors in the subsidiaries of the Company;
- to evaluate and recommend to the Board the appointment, promotion and termination of the executive director, chief executive officer and senior management (Job Grade M4-M1);
- to ensure each of the Director, chief executive officer or key senior management has the character, experience, integrity, competence and time to effectively discharge his role as Director, chief executive officer or key senior management as required under Paragraph 2.20A of the MMLR before appointment and fulfils the requirements under Section 198 of Companies Act, 2016 and Paragraph 15.05 of the MMLR.

(b) evaluation

- to establish clear and appropriate criteria on annual assessment of the Board;
- to assess annually the effectiveness and competencies of the Board as a whole, the Board Committees and the contribution of each individual director; and
- to assess annually the independence of the independent directors

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(c) succession planning and training

- to establish appropriate plans for succession at Board level and senior management level; and
- to review the training needs of the Board.

(d) remuneration

- to establish formal and transparent remuneration policies and procedures to attract and retain Board members and senior management of the Company and its subsidiaries ("the Group");
- to review and recommend to the Board the remuneration package for executive director, chief executive officer and senior management;
- to review with chief executive officer and executive directors, their goals and objectives and to assess their performance against these objectives as well as contribution to the Company's short-term and long-term corporate strategy; and
- to review and recommend to the Board the annual increments and bonuses of executive directors and senior management team.

(e) additional duties and responsibilities

- to carry out such other responsibilities, functions or assignments as may be defined jointly by the NRC and the Board from time to time; and
- to carry out such other responsibilities as guided by MMLR and Malaysian Code on Corporate Governance 2021.

12. Review of Committee

The NRC shall review its terms of reference periodically and recommend any changes it considers necessary.

End of Terms of Reference