



DAMANSARA
HOLDINGS BERHAD 196001000367 (4030-D)

BOARD NOMINATION AND REMUNERATION COMMITTEE

TERMS OF REFERENCE

Updated as at 23 February 2022

BOARD NOMINATION AND REMUNERATION COMMITTEE

TERMS OF REFERENCE

1. COMPOSITION AND APPOINTMENT

- 1.1 The BNRC members shall be appointed by the Board from amongst the Non-Executive Directors and shall consist of not less than three (3) members, with a majority of them being Independent Directors.
- 1.2 No alternate Director shall be appointed as a member of BNRC.
- 1.3 The Chairman of the BNRC shall be a Senior Independent Non-Executive Director or an Independent Non-Executive Director appointed by the Board.
- 1.4 The BNRC members may relinquish their membership in the BNRC with prior written notice to the Secretary. In the event of any vacancy arising in the BNRC resulting in the number of members of the BNRC falling below three (3), the vacancy shall be filled as soon as possible, but not later than three (3) months from any arising vacancy.
- 1.5 The Chairman of the Board is not a member of the Board Committee.

2. MEETINGS AND MINUTES

- 2.1 Frequency
 - 2.1.1 The BNRC shall be held at least once a year or as and when necessary to fulfil its responsibilities.
 - 2.1.2 Other members of the Board and Management may attend the BNRC meetings upon the invitation of the BNRC.
 - 2.1.3 The Chairman of the BNRC shall ensure that the BNRC meeting is not combined with the Board meeting.
- 2.2 Notice and Agenda
 - 2.2.1 The Secretary shall issue and circulate the notice of the BNRC meetings confirming the venue, time and date at least five (5) working days before each meeting to the Committee Members and all those who are required to attend the meeting. The notice of meeting shall include all the relevant documents and information for an informed decision to be made.
- 2.3 Quorum
 - 2.3.1 The quorum for a meeting of the BNRC shall be two (2) members. In the absence of the Chairman, the members present shall elect a Chairman from amongst them to Chair the meeting.

2.4 Voting

2.4.1 All resolutions of the BNRC 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.

2.4.2 An BNRC 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.

2.5 Secretary

2.5.1 The Secretary to the BNRC shall be the Secretary of the Company. Minutes of each meeting shall be distributed to each Committee Member, and the Chairman of BNRC shall report on key issues discussed at each meeting to the Board.

3. **AUTHORITY**

The BNRC is authorised by the Board and at the expense of the Group to perform the following:

3.1 Secure the resources in order to perform its duties as set out in its terms of reference.

3.2 Have full and unrestricted access to Group Human Resources, including without limitation, its information, records, properties and personnel.

3.3 Obtain independent professional advice, service and/or expertise to perform its duties, or obtain the assistance of Management where necessary.

3.4 Shall directly responsible for the oversight of such professional or legal advisor and shall have the sole authority to approve such advisor's fees and other retention terms in the event that the BNRC retains any such independent professional advisor. Prior to the selection of such advisor, the committee shall carry out an independent assessment of such advisor.

4. **DUTIES**

The following are the main roles and responsibilities of the BNRC:

4.1 Nomination

4.1.1 To review on an annual basis the appropriate size and composition of the Board;

4.1.2 To review, consider and recommend to the Board candidates to be appointed on the Board;

4.1.3 To review, consider and recommend to the Board candidates for the positions of Senior Management of DBHD and its subsidiaries ("DBHD Group") (Note:

Senior Management" shall mean management staff report directly to the Group Managing Director or Group Chief Executive Officer as the case may be);

- 4.1.4 To review the required mix of gender, skills, experience, knowledge and other relevant qualities, including core competencies of the Board and Senior Management, on an annual basis;
- 4.1.5 To recommend members for appointments to the Board Committees;
- 4.1.6 To establish and review the criteria to be used in the annual assessment of the Board, Board Committees, individual Director and member of the Board Committees, including assessment of the independence of Independent Director;
- 4.1.7 To ensure annual re-election of director shall be contingent on satisfactory evaluation of the director's performance and contribution to the Board;
- 4.1.8 To assess the effectiveness of the Board, the Board Committees and contribution of each Director and each member of the Board Committees, as well as their training needs on an annual basis;
- 4.1.9 To ensure there is an appropriate framework and succession plan for the Board and Senior Management;
- 4.1.10 To ensure the composition of the Board is refreshed periodically including reviewing the tenure of each director; and
- 4.1.11 To consider such other functions as may be agreed to by the BNRC and/or the Board.

4.2 Remuneration

- 4.2.1 To recommend to the Board the remuneration framework for Non-Executive Directors including Non-Executive Chairman;
- 4.2.2 To establish and review policies and procedures on remuneration framework including making recommendations to the Board on all matters relating to remuneration, terms of employment, reward structure and fringe benefits for Executive Directors ("ED") and Senior Management;
- 4.2.3 To establish ED's goals and objectives and to review ED's performance against the agreed goals and objectives;
- 4.2.4 To review and approve annual salary increments and bonuses of ED, Senior Management and staff of DBHD Group, and
- 4.2.5 To consider such other functions as may be agreed to by the BNRC and/or the Board.

5. **ANNUAL PERFORMANCE ASSESSMENT**

- 5.1 The BNRC shall perform a self-assessment annually to assess its effectiveness in carrying out the duties as set out in this Terms of Reference and report the results to the Board.
- 5.2 The Board shall review the composition, performance and effectiveness of the BNRC and each of its members annually to ensure that the Committee has the right composition, and sufficient, recent and relevant skills and expertise to effectively fulfil their roles.
- 5.3 All such assessments shall be properly documented.

6. **REVIEW OF THE TERMS OF REFERENCE**

- 6.1 The BNRC shall recommend any change to its terms of reference in such manner as the BNRC deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code of Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirement. It shall also be reviewed and updated when there are changes to the direction or strategies of DBHD Group that may affect BNRC's roles and responsibilities.

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