



# **TERMS OF REFERENCE**

## **BOARD NOMINATION AND REMUNERATION COMMITTEE**

**20.1205**

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## DEFINITION & ABBREVIATIONS

TERM	DEFINITION
ARMSC	means the Audit, Risk Management and Sustainability Committee of the Company
BNRC	means the Board Nomination and Remuneration Committee of the Company
Board	means the Board of Directors of the Company
CEO	means Chief Executive Officer.
Company	means ENRA Group Berhad
Director(s)	means a member of the Board
Executive Director(s)	means Director(s) with executive powers and who participate in the management of the Company
Group	means the Company and its subsidiaries

## **1.0 Status**

The BNRC is a committee of our Board.

## **2.0 Members**

The BNRC shall be appointed by our Board among its Directors and shall comprise exclusively of non-executive Directors, the majority of whom shall be independent Directors.

## **3.0 Purpose**

3.1 The BNRC shall recommend to our Board for approval, the following appointments:

- Members of the Board;
- Members of the Board Committees;
- CEO; and
- Senior Independent Non-Executive Director.

3.2 The BNRC is generally responsible for:

- reviewing and recommending to our Board the remuneration packages for the Non-Executive Directors, Board Committee members, Executive Directors and the CEO;
- reviewing and approving the appointment of our Group's key management personnel as may be determined by the BNRC from time to time;
- recommending to our Board for approval the appointment of the Company Secretary(ies) and for determining their remuneration packages; and
- assisting our Board to ensure that any shares incentive/grant/issuance scheme is fairly and properly administered and implemented in accordance with the relevant bye laws.

## **4.0 Responsibilities**

4.1 The BNRC's specific responsibilities in relation to nomination matters include the following:

- to formulate the nomination, selection and succession policies for the members of our Board, Board Committees, CEO, Senior Independent Non-Executive Director, Company Secretary(ies) and our Group's key management personnel in terms of appropriate balance of skills, expertise, attributes and core competencies taking into account the

character, experience, integrity, competence and time commitment of the candidates;

- to review the Board structure, its size and composition annually having regard to the scope and nature of the operations and the core competencies of the Directors;
- to formulate a fit and proper policy for appointment and re-election of Directors;
- to recommend the appointment or re-election of the members of our Board;
- to recommend the appointment of the members of our Board to fill casual vacancies;
- to conduct rigorous review to determine if a Director can continue to be independent in character and judgement and to take into account the need for progressive refreshing of our Board;
- to develop and recommend to our Board, action plans for assessing members of our Board and Board Committees such as the Board Effectiveness Evaluation in which our Directors will assess each other and our Board as a whole to determine its effectiveness as well as develop a matrix skill set to undertake this assessment;
- to assess/review the required mix of skills, experience, time commitment and other qualities of Directors including core competencies which Non-Executive Directors should bring to the Board as well as independence and diversity (including gender diversity) of the Board composition which is required to meet the needs of the Company;
- to review and recommend to our Board the appointment of members of Board Committees for each term;
- to review the performance of our Board's ARMSC and (without prejudice to the generality of the preceding paragraph), to review the term of office and performance of each member of our Board's ARMSC annually or at such other times required by the relevant authority or deemed necessary by the BNRC;
- to ensure that orientation and education programmes are provided for new members of our Board;
- to review our Directors' continuing education programmes;
- to recommend the engagement of external advisers to assist and/or advise on selection and succession matters;

- to establish a set of quantitative and qualitative performance criteria to evaluate the performance of each member of our Board, our President & CEO, Company Secretary and our Group's key management personnel from time to time; and
- to review the performance of our President & CEO, members of our Board, Internal Auditor (based on recommendation by the ARMSC), Company Secretary(ies) and our Group's key management personnel and to review and approve their service contracts.
- To prepare a statement for inclusion in the Company's Annual Report on its activities in discharging its duties for the financial year.

4.2 The BNRC's specific responsibilities in relation to remuneration matters include the following:

- to formulate and review the remuneration policies and remuneration for members of our Board, Board Committees, Executive Directors, CEO, Company Secretary(ies), Internal Auditor and our Group's key management personnel to ensure the remuneration offered commensurate with the responsibilities, in line with market practice and our Group's compensation policies;
- to recommend to the Board the utilisation of the provision for annual salary increment, performance bonus and other incentives or remuneration for each financial year for Board members, Executive Directors and the CEO;
- to recommend the engagement of external advisers to assist and/or advise the BNRC on remuneration, when necessary;
- if applicable, to establish a trust to be administered by independent trustees to subscribe new shares of our Company and transferring them to selected employees and/or executives, as and when deemed fit by the BNRC and direct the administration of any shares incentive/grant/issuance schemes in accordance with the relevant bye laws;
- to recommend to our Board for approval, any amendment, modification, addition or deletion to the relevant bye laws for the shares incentive/grant/issuance schemes, if applicable;
- to recommend to the Board any transaction, agreement, deed, document or arrangement and make rules, regulations or impose terms and conditions in accordance with the relevant bye laws for the shares incentive/grant/issuance schemes; and
- to recommend to the Board any other actions within their purview for the effective implementation and administration of the shares incentive/grant/issuance schemes, if applicable.

## **5.0 Authority**

The BNRC shall be authorised to:

- recommend any decisions on matters within their scope, purpose and responsibilities; and
- obtain external professional advice or other advice, if deemed necessary, to the Board.

## **6.0 Meetings**

- 6.1 The BNRC shall meet at least two (2) times a year and at such other time(s) deemed necessary to fulfil its responsibilities and duties.
- 6.2 Each member of the BNRC is entitled to one (1) vote in deciding the matters deliberated in the meeting.
- 6.3 All matters put to vote in a meeting of the BNRC shall be passed by a simple majority of votes. If there is an equality of votes, the Chairman of the BNRC shall be entitled to a casting vote.

## **7.0 Reporting to our Board**

- 7.1 The BNRC shall prepare a report each year on the effectiveness of our Board as a whole and the individual performance of each of our Director.
- 7.2 Each minutes of an BNRC meeting shall be tabled to the Board for notation.
- 7.3 The BNRC shall be entitled at any time and from time to time to submit its recommendations to our Board on matters within its purview, for our Board to decide.

## **8.0 Secretary**

- 8.1 The Company Secretary shall be secretary to the BNRC.
- 8.2 The Company Secretary shall prepare the agenda in consultation with the Chairman of the BNRC and distribute to all members of the BNRC for deliberation at the BNRC meeting.

## **9.0 Appointment**

All BNRC members are subjected to an annual review of their performance before re-appointment by our Board.

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