

**MILUX CORPORATION BERHAD**

(Company No: 313619-W)

(Incorporated in Malaysia)

**TERMS OF REFERENCE OF  
NOMINATION AND REMUNERATION COMMITTEE ("NRC")**

**1. Objectives**

The principal objectives of the NRC are:-

- (a) to assist the Board of Directors in their responsibilities in nominating and selecting new nominees to the Board of Directors and to assess the Directors of the Company on an on-going basis; and
- (b) to assist the Board of Directors in their responsibilities in assessing the remuneration packages of the executive and non-executive directors as well as the senior management.

**2. Composition of members**

The Board of Directors shall elect the NRC members from amongst themselves, comprised exclusively of non-executive directors, a majority of whom must be independent.

The term of office and performance of the NRC and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether the NRC and its members have carried out their duties in accordance with this terms of reference.

**3. Chairman**

The Chairman of the NRC shall be elected from amongst the NRC members. The Chairman of the NRC shall be an Independent Director or the Senior Independent Director identified by the Board of Directors.

**4. Secretary**

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

**5. Meetings**

The NRC may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

The Secretary shall on the requisition of the Chairman/members of the NRC summon a meeting of the NRC and except in the case of an emergency, reasonable notice of every NRC meeting shall be given in writing.

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**6. Quorum**

A quorum for a meeting of the NRC shall consist of two (2) members.

**7. Circular Resolutions**

A resolution in writing signed by a majority of the NRC members for the time being shall be as valid and effectual as if it had been passed at a meeting of the NRC duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more NRC members. Any such document may be accepted as sufficiently signed by a NRC member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical/electronic or digital written message purporting to include a signature of a NRC member.

**8. Authority**

The NRC, in accordance with a procedure or process to be determined by the Board of Directors and at the expense of the Company,

- (a) shall annually review the required mix of skills and experience and other qualities, including core competencies which non-executive and executive directors should have.
- (b) shall assess on an annual basis, the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual Director.
- (c) to review, assess and recommend to the Board of Directors the remuneration packages of the executive directors and senior management in all forms, with other independent professional advice or outside advice as necessary, at the expense of the Company.
- (d) shall be entitled to the services of a company secretary who must ensure that:-
  - all appointments are properly made, that all necessary information is obtained from Directors, both for the company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Listing Requirements of Bursa Malaysia Securities Berhad or other regulatory requirements.
  - all decisions made on the remuneration packages of the executive directors and senior management be properly recorded and minuted in the Minutes Book of the Company.

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**9. Duties and Responsibilities**

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

- To identify and recommend to the Board of Directors, candidates for all Directorships to be filled by the shareholders or the Board of Directors. In making its recommendations, the NRC should consider the candidates':-
  - (a) technical competency, skills, knowledge, expertise and experience;
  - (b) strong sense of professionalism;
  - (c) integrity;
  - (d) other commitments and time available to contribute inputs to the Board; and
  - (e) in the case of candidates for the position of independent non-executive Directors, the NRC should evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.
- To consider, in making its recommendations, candidates for Directorships proposed by the Director(s) and, within the bounds of practicability, by any other senior executive or any shareholder.
- To recommend to the Board of Directors the nominees to fill the seats on Board Committees.
- To review the Board's succession plans.
- To implement annual assessment on the effectiveness and performance of the Board of Directors as a whole, the committees of the Board, as well as the contribution/performance of each individual director, including non-executive directors and executive director(s). All assessments and evaluations carried out by the NRC in the discharge of all its functions should be properly documented.
- To examine the size of the Board with a view to determining the impact of the number upon its effectiveness.
- To look into and/or facilitate orientation and education programmes for new recruits to the Board.
- To review the required mix of skills and experience and other qualities including core competencies which non-executive directors should bring to the Board.
- To develop, maintain and review the performance criteria to be used in the recruitment process and evaluate the performance of each member of the Board of Directors and Board Committees.

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- To develop the criteria to assess independence and to assess on an annual basis, the independence of the Independent Non-Executive Directors and recommend the same to the Board.
- To recommend the retention of its Independent Non-Executive Directors whose terms have exceeded nine (9) years' tenure for continuance in the office.
- To recommend the re-election of Directors who retire by rotation pursuant to the Company's Articles of Association.
- To establish time commitment expectations for the members of the Board.
- To establish a policy formalising its approach to boardroom diversity.
- To review training programmes for the Board and facilitate board induction and training programmes.
- To review and assess the remuneration packages of the executive directors and senior management in all forms, with or without other independent professional advice or other outside advice;
- To ensure the levels of remuneration be sufficiently attractive, commensurate with the scope of responsibilities, expertise and complexity of the Company's activities and therefore be able to retain and motivate executive directors needed to run the Company successfully;
- To structure the component parts of remuneration so as to link rewards to corporate and individual performance and to assess the needs of the Company for talent at Board level at a particular time;
- To recommend to the Board of Directors the remuneration packages and terms of employment of the executive directors and senior management;
- To act in line with the directions of the Board of Directors; and
- To consider and examine such other matters as the NRC considers appropriate.

**10. Review of the Committee**

The NRC shall review the term of office and performance of the Audit and Risk Committee and each of its members annually to determine whether the Audit and Risk Committee and its members have carried out their duties in accordance with their terms of reference.

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This terms of reference may be subject to revision from time to time to fulfill/incorporate such other requirements as prescribed by Bursa Securities Malaysia Berhad, Securities Commission Malaysia and/or other regulatory authorities as well as any other best practices.

This terms of reference was reviewed and approved by the Board of Directors on 27 March 2018.