

## **Terms of Reference of Nomination and Remuneration Committee**

### **1. MEMBERSHIP**

- (a) The Nomination and Remuneration Committee shall be appointed by the Board from among their number and shall comprise not fewer than three (3) in number.
- (b) The majority of the members of the Committee shall be : -
  - (i) non-executive Directors; or
  - (ii) any person not having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the functions of the Remuneration Committee
- (c) The members of the Committee shall elect a Chairman from among their number.
- (d) In the event of any vacancy in the Committee resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months fill the vacancy.

### **2. AUTHORITY**

- (a) The Nomination and Remuneration Committee is entrusted with the task of proposing new nominees for the Board and for assessing existing Directors on an on-going basis.
- (b) The ultimate decision as to who shall be nominated should be the responsibility of the full Board after considering the recommendation of such a Committee.

### **3. FUNCTIONS**

- (a) To determine the core competencies and skills required of Board members to best serve the business and operations of the Group as a whole and the optimum size of the Board to reflect the desired skills and competencies.
- (b) To review the size of Non-Executive participation, Board balance and determine if additional Board members are required and also to ensure that at least one-third (1/3) of the Board is independent.
- (c) To recommend to the Board on the appropriate number of Directors to comprise the Board which should fairly reflect the investments of the minority shareholders in the Company, and whether the current Board representation satisfies this requirement.
- (d) To consider in making its recommendations, candidates for directorships proposed, within the bounds of practicability, by any Director or shareholder.
- (e) To recommend to the Board, Directors or officers of the Company to fill the seats on Board Committees.
- (f) To undertake an annual review of the required mix of skills and experience and other qualities of Directors, including core competencies which Non-Executive Directors should bring to the Board and to disclose this in the Annual Report.

- (g) To assist the Board to implement a procedure to be carried out by the Nomination and Remuneration Committee annually for assessing the effectiveness of the Board as a whole, the Committees of the Board and for assessing the contributions and performance of Directors and Board of Committee members.
- (h) To introduce such regulations or guidelines, procedures to function effectively and fulfill the Committee's objective.
- (i) To ensure that the Group's Executive Directors are fairly rewarded for their individual contributions to the Group's overall performance and the levels of remuneration should be sufficient to attract and retain Directors to run the Group successfully.
- (j) To demonstrate to all stakeholders in the business that the remuneration of the Executive Directors of the Group is set by a Committee of Board members who have no personal interest in the outcome of their decisions and who will give due regard to the interests of the stakeholders and to the financial and commercial health of the Group.
- (k) To recommend to the Board the remuneration of the Executive Chairman and Executive Directors.
- (l) To assume responsibility for all elements of Executive Directors' remuneration eg:
  - (i) Basic salary
  - (ii) Profit sharing schemes (if any)
  - (iii) Share Options
  - (iv) Any other benefits
  - (v) Compensation for early termination
- (m) To ensure that a fair differential between the remuneration of Board members and other levels of management is maintained.
- (n) To conduct continued assessment of individual Executive Directors to ensure that remuneration is directly related to corporate and individual performance.
- (o) To obtain the advice and information from external source, if necessary, to compare the remuneration currently earned by the Executive Directors and those paid to Executive Directors of other companies of a similar size in a comparable industry sector.
- (p) To ensure that the base salary element is competitive but fair.
- (q) To advise on and monitor, a suitable performance related formula ie. whether the formula is based on individual performance, company profit performance, earnings per share etc.
- (r) To provide an objective and independent assessment of the benefits granted to Executive Directors.
- (s) To introduce any policy or guidelines which would enable the smooth administration and effective discharge of the Committee's duties and responsibilities.
- (t) To furnish a report to the Board of any findings of the Committee.

**4. MEETINGS**

(a) The Committee shall meet at least once a year. However, additional meetings may be called at any time at the Nomination and Remuneration Committee Chairman's discretion.

(b) The quorum for the meeting shall be two (2) members.

**5. REPORTING**

The Chairman of the Committee shall report on each meeting to the Board.

**6. SECRETARY**

The Secretary to the Committee shall be the Company Secretary.