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## **NOMINATION AND REMUNERATION COMMITTEE TERMS OF REFERENCE**

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### **1. OBJECTIVE**

The main objective of the Nomination and Remuneration Committee (“the Committee”) is to assist the Board in fulfilling its responsibilities in going through a formal process of reviewing the balance and effectiveness of its Board, identifying the skills needed and those individuals who might best provide them.

The Committee shall also assist the Board in fulfilling its fiduciary responsibilities for reviewing and making recommendations to the Board of Directors the terms of employment of and all elements of the remuneration of the Executive Directors and Senior Management of LBS Bina Group Berhad (“LBGB” or “Company”).

### **2. COMPOSITION**

- (1) The Committee shall comprise at least three (3) members, each of whom shall be appointed by the Board of Directors primarily from amongst the Independent Non-Executive Directors of the Company.
- (2) The members of the Committee shall elect a Chairman from amongst their number whom shall be an Independent Non-Executive Director. In the absence of the Committee Chairman, the remaining members present shall elect one of them to chair the meeting.
- (3) No alternate director can be appointed as a member of the Committee.

### **3. PROCEEDINGS OF MEETING**

- (1) The quorum for meeting of the Committee shall be two (2) or two-thirds, whichever is higher. If the number is not a multiple of three, then the number nearest to two-thirds will apply.
- (2) Meetings shall be held as and when appropriate, but shall not less than once in a calendar year.
- (3) Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any member thereof. Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee not less than three (3) working days prior to the date of the meeting.
- (4) The Company Secretary shall be the Secretary of the Committee.

- (5) A resolution in writing signed by majority the members in lieu of convening of a formal meeting shall be valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.
- (6) The resolution in writing and other documents signed by the members using digital signatures and/or electronic signatures shall be as valid, enforceable and effective as the original of the resolutions/documents duly sign physically provided that such digital signatures and/or electronic signatures are created in accordance with the Digital Signature Act 1997 and/or Electronic Commerce Act 2006.
- (7) For good governance, each member must attend at least 50% of the meetings held within the year, failing which Board will decide on the member's disqualification.

#### **4. REPORTING PROCEDURES**

The Secretary shall circulate the minutes of meetings of the Committee to all members of the Committee. Minutes of each meeting shall be duly entered in the book provided therefor. The Chairman shall report on each meeting to the Board.

#### **5. AUTHORITY**

The Committee is authorised by the Board to undertake the specific duties and responsibilities stated below. The Committee is also authorised to obtain external legal or other independent professional advice, as it considers necessary.

#### **6. DUTIES AND RESPONSIBILITIES**

- (1) With regard to the nomination functions, the Committee shall:-
  - (a) regularly review the structure, size and composition of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary;
  - (b) be responsible for identifying and nominating for the approval of the Board candidates to fill Board vacancies as and when they arise;
  - (c) keep under review the core competencies and skills required of Directors to best serve the business and operations of the Company and its subsidiaries (collectively "LBGB Group" or Group") as a whole with a view to ensure the continued ability to compete effectively in the marketplace;
  - (d) review the independence of Independent Directors on an annual basis;

- (e) to facilitate annual evaluation and assessment of the effectiveness of the Board as a whole and the Board Committees, as well as the contributions and performance of individual Directors and Board Committee members; and
  - (f) To review and facilitate Board's induction program and training needs in areas which the Directors could improve on.
- (2) It shall also make recommendations to the Board:
- (a) with regard to plans for succession for Directors and Senior Management positions;
  - (b) with regard to the re-appointment of any non-executive director at the conclusion of his/her specified term of office;
  - (c) concerning the re-election by shareholders of any director under the "retirement by rotation" provisions in the Company's Constitution;
  - (d) concerning any matters relating to the continuation in office as a director at any time; and
  - (e) any such regulations, guidelines and/or procedures to function effectively and fulfill the Committee's objectives.
- (3) The duties and functions of the Committee with regard to remuneration of the Directors shall include:-
- (a) to establish and agree with the Board of Directors the framework or board policy for the remuneration of the Executive Directors and Senior Management;
  - (b) to provide an objective and independent assessment of benefits and incentives granted to the Executive Directors and Senior Management of the Company to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group;
  - (c) within the terms of the agreed policy, recommend the total individual remuneration package of new executive director including, where appropriate, benefits and incentive payments.
  - (d) establish the policy for and scope of termination payments and compensation commitments; and
  - (e) ensure that provisions regarding disclosure of remuneration under the Listing Requirements of Bursa Malaysia Securities Berhad.



## 7. REVIEW OF TERM OF REFERENCE

This Policy has been approved by the Board and is made available for reference in the LBGB's corporate website and internal computer networking system.

This Policy shall be reviewed by the Board once in every two years and updated whenever necessary to ensure its effective implementation. Any subsequent amendments to the Policy should be approved by the Board upon recommendation of the Committee.

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