

TERMS OF REFERENCE FOR NOMINATING AND REMUNERATION COMMITTEE

INNATURE BERHAD

Document

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TERMS OF REFERENCE OF THE NOMINATING & REMUNERATION COMMITTEE

1. Members

The Committee shall be appointed by the Board of Directors and shall consist of not less than 2 members of which comprising exclusively non-executive directors, a majority of whom shall be independent directors.

In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months.

The Board of Directors must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

2. Chairman

The members of the Committee shall elect a Chairman from among themselves who shall be an independent director.

3. Functions

The Committee shall:-

- i. recommend the nomination of a person or persons for all directorships to be filled by the shareholders or the board;
- ii. Consider, in making its recommendations, candidates for directorships proposed by the Managing Director and, within the bounds of practicability, by any other senior executive or any director or shareholder;
- iii. Identify and/or recommend to the board, eligible candidates to fill the seats on board committees when the need arises;
- iv. identify, evaluate and recommend candidates for appointment as Company Secretary;
- v. review annually the performance of the Audit Committee and the term of office and performance of each of the Audit Committee members;
- vi. assess annually the effectiveness of the board as a whole, the committees of the board and the contribution of each existing individual director and board committee members and thereafter, recommend its findings to the board;
- vii. review annually the structure, size, composition of the board committees, required mix of skills and experience and other qualities, including core competencies and ability of each director in carry out their obligations and duties as a director and thereafter, recommend its findings to the board;
- viii. review the implementation of an appropriate programme framework and succession planning for the Board; and
- ix. review and recommend to the Board, the remuneration packages of executive directors in all its forms, drawing from outside advice as and when necessary.

The remuneration packages of non-executive directors should be determined by the Board of Directors as a whole.

4. Structures and Procedures

The Committee should meet regularly, with due notice of issues to be discussed and should record its conclusion in discharging its duties and responsibilities. The Committee should disclose the number of committee meetings held in a year and the details of attendance of each individual member in respect of meetings held. The quorum shall be 2 members with majority of independent directors.

The Committee should ensure that the direction and control of the Committee is firmly in its hands and all assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.

In the event that the remuneration package of a Committee member is to be discussed, the Committee member concerned should abstain from the discussion of his/her own remuneration package.

The Committee should be entitled to the services of a secretary who must ensure that all appointments are properly made, that all necessary information is obtained from directors, both the Company's own records and for the purposes of meeting statutory requirements, as well as obligations arising from the Listing Requirements of Bursa Malaysia Securities Berhad and/or other regulatory authorities.

5. Access to Advice

In furtherance to their duties as the Committee's members of the Company, there should be an agreed procedure for the members, whether as a full Committee or in their individual capacity, to take independent professional advice at the Company's expense, if necessary.