

## TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

### Definitions:

“Act”	Companies Act 2016
“Board” or “Directors”	: The Directors for the time being of the Company or such number of them as have authority to act for the Company.
“Bursa”	: Bursa Malaysia Securities Berhad (Company No. 635998-W)
“Committee”	: The Nomination and Remuneration Committee of the Company.
“Company”	: Meridian Berhad (Company No. 507785-P) <i>(Formerly known as Meda Inc. Berhad)</i>
“Group”	: The Company and its subsidiaries.
“LR”	: Bursa Securities Main Market Listing Requirements including any relevant practice and/or guidance notes, directives, guidelines issued pursuant thereto and any amendment, modification, supplemental to the listing requirements that may be made from time to time.
“Company Secretary” or “Secretaries”	: Any person or persons jointly appointed to perform the duties of a secretary of the Company including any person(s) appointed temporarily and any representative of the secretary.

### 1. Date established

The Nomination and Remuneration Committee was established on 29 March 2019.

### 2. Objectives

The principal objectives of the Committee are as follows :-

#### (a) *Nomination*

Assist the Board in their responsibilities in nominating new nominees to the Board and to assess the performance of the Board, the Committees of the Board and the Directors of the Company on an on-going basis.

#### (b) *Remuneration*

Assist the Board in adopting a transparent policy on remuneration of Directors and ensuring the suitability of the remuneration packages of Directors.

The Committee shall also perform such other functions assigned by the Board.

### **3. Composition**

The Board shall elect the Committee members from amongst themselves and it must be composed of no fewer than three (3) members consisting wholly of non-executive Directors, a majority of whom are independent.

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

No alternate Director shall be appointed as a member of the Committee.

#### ***Retirement and Resignation***

In the event of any vacancy which results in the number of members being reduced to below two (2), the vacancy shall be filled within three (3) months thereof. Therefore, a member of the Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.

### **4. Chairman**

The Chairman of the Committee shall be elected from amongst the Committee members whom shall be the Senior Independent Non-Executive Director identified by the Board.

In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the Committee meeting.

### **5. Secretary**

The Secretariat of the Committee shall be the Company Secretary of the Company and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

### **6. Meetings**

The Committee 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 members of the Committee, summon a meeting of the Committee and except in the case of an emergency, reasonable notice of every Committee meeting shall be given in writing.

Other Board members and/or employees may attend the Committee meeting upon invitation of the Committee.

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Members of the Committee may participate in a meeting by means of conference telephone, conference videotape or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

Other Directors and employees may attend any particular Committee meeting only at the Committee's invitation, specific to the relevant meeting.

**7. Minutes**

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Committee and also to the other members of the Board. The Committee Chairman shall report on the proceedings of each meeting to the Board.

The minutes of the Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

The Committee members may inspect the minutes of the Committee at the Registered Office or such other place as may be determined by the Committee.

The Company Secretary shall circulate the minutes of the Committee to all members of the Board.

**8. Quorum**

A quorum shall consist of two (2) members and the majority present must be Independent Directors.

**9. Circular Resolution**

A resolution in writing signed by a majority of the Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.

Any such resolution may consist of several documents in like form each signed by one (1) or more Committee members. Any such document may be accepted as sufficiently signed by a Committee member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of a Committee member.

**10. Reporting**

The Committee shall report to the Board, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least once a year, but more frequently if it so wishes.

The Committee shall report to the Board on any specific matters referred to it by the Board.

**11. Authority**

The Committee shall, be authorized to:

(a) ***Nomination***

- (i) Annually review the required mix of skills and experience and other qualities, including core competencies, which non-executive and executive Directors should have.
- (ii) 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.
- (iii) 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 LR or other regulatory requirements.

(b) ***Remuneration***

- (i) Seek any information it requires from any employee of the Company in order to perform its duties;
- (ii) Obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference; and
- (iii) Call any employee to be questioned at a meeting of the Committee as and when required.

## **12. Responsibilities and Duties**

The responsibilities and duties of the Committee are as follows:

### **(a) *Nomination***

- (i) Assess and recommend to the Board, candidates for all directorships. In making its recommendations, the Committee should consider the candidates':
  - technical competency, skills, knowledge, expertise and experience;
  - strong sense of professionalism;
  - integrity;
  - other commitments and time available to contribute inputs to the Board; and
  - in the case of candidates for the position of Independent Non-Executive Directors, the Committee should evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive Directors;
  - diversity
- (ii) Recommend to the Board the nominees to fill the seats on Board's Committees;
- (iii) Review Board and Senior Management succession plans;
- (iv) Review the training needs/training programs for the Board and facilitate Board induction and training programs;
- (vi) Review annually, the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and members have carried out their duties in accordance with the terms of reference of the Audit Committee;
- (vii) Implement an annual assessment on the effectiveness and performance of the Board 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 Committee in the discharge of all its functions should be properly documented;
- (viii) Examine the size of the Board with a view to determining the impact of the number upon its effectiveness;
- (ix) Review the required mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board;

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- (x) 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;
  - (xi) Recommend the retention of its Independent Non-Executive Directors whose terms have exceeded nine (9) years' tenure for continuance in the office;
  - (xii) Recommend the re-election of Directors who retired by rotation pursuant to the Company's Constitution;
  - (xiii) Establish time commitment expectations/protocol for the members of the Board;
  - (xiv) Review the attendance of the Directors at Board and/or Board Committee(s) Meetings;
  - (xv) Establish a policy formalizing its approach to boardroom diversity;
  - (xvi) Act in line with the directions of the Board; and
  - (xvii) Consider and examine such other matters as the Committee considers appropriate.
- (b) ***Remuneration***
- (i) Support the Board in actively overseeing the design and operation of the Company's remuneration system;
  - (ii) Review and recommend to the Board on the remuneration of non-executive Directors, particularly on whether the remuneration remains appropriate to each Director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken;
  - (iii) Review and recommend to the Board on the total individual remuneration package for Executive Directors and senior management personnel including, where appropriate, bonuses and incentive payments within the terms of the agreed remuneration policy and based on individual performance;
  - (iv) Oversee the qualitative and quantitative disclosures of remuneration made in the annual report and notice to general meetings; and
  - (v) Provide clarification to shareholders during general meetings on matters pertaining to remuneration of Directors and senior management as well as the overall remuneration framework of the Company.

**13. Elected Members**

For information on the current members of the Nomination and Remuneration Committee, please refer to the Company's corporate website at: [www.meda.com.my](http://www.meda.com.my).

This Terms of Reference of Nomination and Remuneration Committee was adopted by the Board on 16 April 2019.