

# **EFFICIENT E-SOLUTIONS BERHAD (632479-H)**

## **TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE (“NRC”)**

### **Membership**

1. Members of the NRC shall be composed of no fewer than two (2) members, exclusively of non-executive directors and a majority of whom are independent directors.
2. No alternate director shall be appointed as a member of the NRC.
3. The members of the NRC shall elect a chairman from among their number who shall be an independent director.

### **Meetings**

1. The quorum shall be two (2) members.
2. The NRC shall meet at least once a year to recommend to the Board the remuneration of directors, including fees or to convene meetings whenever deemed necessary.
3. Other directors and employees may attend any particular NRC meeting only at the Committee’s invitation, specific to the relevant meeting.
4. The Company Secretary or any other person appointed by the NRC shall be the Secretary of the Committee.

### **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 the NRC member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of the NRC member.

### **Functions**

In terms of Appointment to the Board, the NRC should:-

1. recommend to the board, candidates for all directorships to be filled by the shareholders or the board based on the followings:-

- (a) skills, knowledge, expertise and experience;
  - (b) professionalism;
  - (c) integrity; and
  - (d) in the case of candidates for the position of independent non-executive directors, the NRC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors;
2. consider, in making its recommendations, candidates for directorships proposed by the chief executive officer and, within the bounds of practicability, by any other senior executive or any director or shareholder;
  3. recommend to the board, directors to fill the seats on board committees;
  4. review the directors' required mix of skills and experience and other qualities annually, including core competencies which non-executive directors should bring to the Board;
  5. review the terms of office and performance of the Audit Committee and each of its member annually to determine whether the Audit Committee and its members have carried out their duties in accordance with the terms of reference.
  6. assess the effectiveness of the board as a whole, the committees of the board and the contribution of each individual director, including independent non-executive directors, as well as chief executive officer. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions should be properly documented.
  7. perform such other functions as may be agreed to by the Nomination Committee and the Board of Directors.

In terms of Remuneration of the Board, the NRC should:-

1. recommend to the board the remuneration of the executive directors in all its forms, drawing from outside advice as necessary. The determination of remuneration packages of non-executive directors, including non-executive chairman, should be a matter for the board as a whole. The individual concerned shall abstain from deliberation of his own remuneration; and
2. perform such other functions as may be agreed to by the Remuneration Committee and the Board of Directors.

## **Rights**

The NRC shall, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

1. have authority to investigate any matter within its terms of reference;
2. have the resources which are required to perform its duties;
3. have full and unrestricted access to any information as may be required to discharge its functions; and

4. be able to obtain independent professional or other advice.

#### **Review of the NRC's Terms of Reference**

The NRC shall periodically review and update its terms of reference to ensure compliance with regulatory and legal requirements, which will take precedence over any stipulation of the terms of reference, and in accordance with the needs of the Company/Group that may have an impact on the discharge of the NRC's duties and responsibilities.

The Board's approval is mandatory for any amendments to the terms of reference of the NRC.