

MUDAJAYA GROUP BERHAD
(605539-H)

**TERMS OF REFERENCE FOR COMBINED NOMINATION AND
REMUNERATION COMMITTEE**

Objective

The CNRC is to assist the Board of Directors in the following matters:-

- Nomination of new nominees to the Board of Directors. The Combined Nomination and Remuneration Committee (“CNRC”) shall also assess the directors of the Company on on-going basis.
- To ensure that the remuneration policies of the Company are competitive, thereby enabling the Company to attract and attain high caliber executives and at the same time protect the interests of the shareholders.

The component parts of remuneration would be structured so as to link rewards to corporate and individual performance, in the case of executive directors. In the case of non-executive directors, the level of remuneration should reflect the experience and level of expertise and responsibilities undertaken by the particular non-executive director concerned.

Membership

The CNRC shall be appointed by the Board of Directors and shall composed exclusively of at least 2 non-executive directors, all of whom are independent.

The Chairman of the CNRC should be the Senior Independent Director identified by the Board of Directors. In the absence of the Chairman, the members present shall elect a chairman for the meeting from amongst themselves.

Members of the CNRC may relinquish their membership in the Committee with prior written notice to the Company Secretary. The CNRC will review and recommend, to the Board for approval, another director to fill the vacancy. The vacancy should be filled within 3 months.

Duties and Responsibilities

The duties and responsibilities of the CNRC are as follows:

- a) Identify and recommend to the Board, candidates for directorships of the Company to be filled by the Board or by the shareholders at an annual or extraordinary meeting. In making its recommendations, the CNRC will also consider candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicality, by any other senior executive or any director or shareholder.

In making its recommendations, the CNRC shall consider the candidates’:

- Skills, knowledge, expertise and experience;
 - Professionalism;
 - Integrity; and
 - In the case of candidates for the position of independent non-executive directors, the CNRC shall also evaluate the candidates’ ability to discharge such responsibilities / functions as are expected from independent non-executive directors.
- b) Recommend to the Board, directors to fill the seats on Board Committees.
- c) Review annually the required mix of skills and experience of the Board, including the core competencies which directors should bring to the Board.
- d) Evaluate the effectiveness of the Board and Board Committees (including its size and composition) and the contribution of each individual director, including independent non-executive directors as well as the Chief Executive Officer. All assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented.
- e) Determine appropriate training and orientation needs for Directors, review the fulfillment of such training, and disclose details in the annual report as appropriate, in accordance with Bursa Malaysia Securities Berhad’s guidelines on continuing education.
- f) Consider and recommend the Directors for re-election / re-appointment at each Annual General Meeting.
- g) Ensure an appropriate framework and plan for Board succession for the Group.
- h) Establish a competitive compensation package, which reflects market value, sustained individual performance, job responsibilities and the group’s performance against financial objectives.
- i) Review the directors’ performance in line with the corporate objectives and decides upon the remuneration package of the executive directors.
- j) Establish a formal and transparent procedure for developing policy on executive remuneration.
- k) Review and recommend the entire individual remuneration packages for each of the executive directors to ensure the levels of remuneration be sufficiently attractive and be able to retain the executive directors needed to run the Company successfully.
- l) Consider and examine such other matters as the Committee considers appropriate.
- m) Consider other matters as referred to the Committee by the Board.

Authority and Powers

The CNRC will have full, free and unrestricted access to the relevant records of the Company.

The CNRC is authorized to seek independent professional advice, at the expense of the Company, in carrying out its duties.

The CNRC will make its recommendations to the Board for its consideration.

The CNRC is authorized by the Board in setting up the policy framework and making recommendations to the Board on the remuneration packages of the Directors. Executive Directors shall abstain from the deliberations and voting decisions in respect of their remuneration. The Board as a whole will decide the remuneration of the non-executive directors and the director concerned shall abstain from participating on decisions in respect of his individual remuneration.

The CNRC is also authorized by the Board to secure formal and informal consultations with relevant parties including independent consultants, if necessary, to ensure that the remuneration policies of the Company are competitive.

Meetings

The CNRC shall meet at a minimum once a year. The quorum for each meeting shall be 2 members.

The Company Secretary of the Company shall be the secretary of the Nomination Committee.

Reporting Procedures

The Secretary shall maintain minutes of the meetings and circulate such minutes to all members of the Board.