



**BARAKAH OFFSHORE PETROLEUM BERHAD**  
**Registration No.: 2012017022(980542-H)**

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

**DOCUMENT NO: BOP/GEN/R/02-004**

**REVISION NO: 01**

**EFFECTIVE DATE: 29 Aug 2024**

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## 1. PURPOSE

The primary function of the Nomination and Remuneration Committee ("NRC") is to assist the Board in fulfilling its overall responsibilities for Barakah Offshore Petroleum Berhad ("Barakah" or "Company") and its subsidiary and associate companies (collectively refers to as the "Group") for its nomination and remuneration policy. Consistent with this function, the Committee shall encourage continuous adherence and improvement to the Group's Nomination and Remuneration Policy, procedures and practices as well as the applicable laws and regulations.

The Nomination and Remuneration Committee ("NRC") is responsible for recommending to the Board for approval of the following appointments:

- a. Chairman
- b. Members of the Board;
- C. Members of the Board Committees;
- d. Senior Independent Non-Executive Director;
- e. Top Management (S - 52)

The NRC shall ensure that the Group recruits, retains, trains, and develops suitably qualified and capable executive and non-executive directors and manage the Board's renewal and succession effectively. It also makes recommendations on the remuneration policy for the directors and the Top Management

The NRC shall prepare a report on the effectiveness of the Board as a whole and the individual performance of each Director for the Board to assess annually. In addition the NRC shall provide a disclosure nomination and remuneration statement in its annual report on its activities in discharging its duties for the financial year.

The NRC is also responsible for recommending to the Board for approval of the appointment of Company Secretary and the fees of the said Company Secretary.

The Board remains responsible for considering and approving the recommendations proposed by the NRC.

## **2. COMPOSITION OF NRC**

The following requirements are to be fulfilled by the Board in the appointment of the NRC from among its members:

- a. The NRC must be composed of no fewer than three (3) members, the majority of whom must be Independent Non-Executive Directors, and
- b. The Chairman of the NRC shall be appointed by the Board from among the Independent Non-Executive Directors.

An Alternate Director shall not be appointed as a member of the NRC and subject to any regulatory disqualification, members of the NRC shall not be removed except by the Board.

In the event of any vacancy in the NRC, the Board shall within three (3) months fill the same so as to comply with all regulatory requirements.

## **3. AUTHORITY**

The NRC shall have the authority to make decisions on matters which fall within the purpose and responsibilities of the NRC.

## **4. ROLES AND RESPONSIBILITIES OF COMMITTEE**

The role of the NRC in relations to nomination and remuneration matters includes:-

- i. Formulating the nomination, selection and succession policies for the members of the Board, Board Committees, President & Chief Executive, Top Management as may be determined by the NRC from time to time;
- ii. Making recommendations to the Board on new candidates for appointment, re-election, resignation, termination and retirement by rotation to the Board pursuant to the provision of the Articles of Association and Main Market Listing Requirements;
- iii. Reviewing the required mix of skills, experience, performance and other core competency qualities of the Board annually;
- iv. Ensuring that orientation, training and education programmes are provided for new members of the Board and reviewing the directors' continuing education programmes;
- v. Reviewing the Group's succession plan framework for the sustainability and continuity of the Group, particular for the Top Management;

- vi. Assisting the Board to establish a set of quantitative and qualitative performance criteria to evaluate annually the effectiveness, contribution and performance of Top Management as may be determined by the NRC from time to time. The NRC will make its recommendation to the Board on the renewal of the Top Management's service contracts or terms of employment, which involve their appointment, remuneration, increment, promotion and termination;
- vii. Reviewing the general remuneration policy and framework for directors and top Management;
- viii. Reviewing the recruitment, promotion, salary increment & adjustment and termination of Top Management;
- ix. Aligning the compensation scale to corporate performance, and that the compensation offered is relevant with current market practice as to support the nomination, recruitment, motivation, development and retention programmes of high quality Top Management;
- x. Reviewing and recommending the fees of non-executive directors to the Board;
- xi. Reviewing the Group's Bonus distribution and succession plans as proposed by EXCO for the Top Management;
- xii. Reviewing and recommending the remuneration of the Chief Internal Auditor (based on proposal by ARMC) to the Board as may be determined by the NRC from time to time; and
- xiii. Recommending the engagement of external professional advisors to assist and/or advise the NRC, on remuneration matters, where necessary.

## **5. QUORUM AND MEETINGS**

The quorum for a meeting shall be any two (2) members with at least one member being an independent director.

The NRC shall meet at minimum twice in a financial year or as frequent as the Chairman deem necessary and it shall convene such meetings, to fulfill its responsibilities.

The NRC meeting shall be attended by its members and the Company Secretary. Members of the management, employees, other directors and representatives of the internal and external auditors shall attend the meeting only by invitation of the NRC.

## **6. PROCEDURES OF NOMINATION AND REMUNERATION COMMITTEE**

Notice of a meeting of the NRC shall be given to all members in writing via facsimile or email or by hand or by courier.

The Chairman of the NRC shall be the Chairman of the meeting. If at any meeting the Chairman is not present, the members present may choose one of their members who is an independent director to be the Chairman of the meeting.

A resolution put to vote shall be decided by a majority of votes of the members present and each member shall have one vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.

The NRC may deal with matters by way of circular resolution, signed by majority of the Committee members in lieu of convening a formal meeting.

Minutes of each meeting shall be minuted by the Company Secretary and shall be distributed to each member of the NRC and tabled for notation at the Board of Directors' meeting. The Chairman of NRC shall as soon as practicable report on each meeting to the Board of Directors. All minutes of meetings shall be made available for inspection by the members of NRC or/and the Board of Directors.

## **7. REVIEW OF TERMS OF REFERENCE**

The NRC's Terms of Reference shall be reviewed by the Board annually or whenever necessary to ensure its relevance in assisting the Board to discharge its duties with any changes in the laws and regulations that may arise from time to time and to remain consistent with the Board's objectives and responsibilities.