



## TERM OF REFERENCE BOARD NOMINATION AND REMUNERATION COMMITTEE

### PURPOSE

The Board Nomination and Remuneration Committee (“**BNRC**” or “**the Committee**”) is responsible for recommending candidates to fill vacancies in the Board based on their qualifications, abilities and potential contribution to our Company, reviewing the remuneration policies; evaluating, deliberating and recommending to the Board compensation and benefits based on market norm and best industry practices, evaluating the Executive Directors’ remuneration that is linked to the performance of the Executive Director and the Group.

The Board has been able to discharge its duties professionally and effectively in consideration of the scale and breadth of the Company’s operations. All the Directors continue to uphold the highest governance standards in their conduct and that of the Board. All the Members of the Board are well qualified to hold their positions as Directors of E.A. Technique in view of their respective academic and professional qualifications, and depth of knowledge, skills and experience and their personal qualities.

### NEW APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

The BNRC is responsible for assessing the performance of Directors whose current term of appointment is due to expire and submitting their recommendation to the Board for decision on the re-appointment of the Director concerned.

### RE-APPOINTMENT AND RE-ELECTION OF DIRECTORS

In accordance with the Company’s Constitution, at least one third (1/3) or the number nearest to one third (1/3) of Directors, including the Managing Director, shall be subject to retirement by rotation once in every three (3) years. Retiring Directors can offer themselves for re-election. Directors who are appointed by the Board during the year are required to retire and seek for re-election by the shareholders at the next annual general meeting (“AGM”) to be held following their appointments.

Following the enforcement of the Companies Act 2016 (“the Act”) effective 31 January 2017 that replaced the Companies Act, 1965, there is no longer an age limit for a Director. Therefore, a Director of a public company of or over age of seventy (70) is no longer subject to retirement at the AGM.

At every annual general meeting of E.A. Technique, one-third of Directors for the time being and those appointed during the financial year shall retire from office and be eligible for re-election. All Directors shall retire from office once in three (3) years, and are eligible for re-election. The performance of Directors subject to re-appointment and re-election at the annual general meeting will be assessed by the Nomination Committee, and its recommendations are submitted to the Board for decision-making prior to being tabled for shareholders' approval at the next annual general meeting.

## **MEMBERSHIP**

The BNRC shall have at least two (2) members, all of whom shall be non-executive directors with the majority being independent directors. The quorum for the Committee shall be two (2) members, of whom one should be an independent director. The Committee members and Chairman/Chairperson shall be appointed by the Board. The appointment of a Committee member terminates when the member ceases to be a director, or as determined by the Board.

In the event of a tie in votes, the Chairman/Chairperson of the Committee shall have a casting vote (except when two (2) directors form the quorum). In the absence of the Chairman/Chairperson of the Committee, members present shall elect one of their numbers to chair the meeting.

The BNRC shall have no executive powers.

## **TERM OF REFERENCE**

The BNRC is entrusted to:

1. Identify and recommend to the Board, candidates for board directorships of E.A. Technique;
2. Recommend to the Board, directors to fill the seats on Board Committees;
3. Evaluate the effectiveness of the Board and Board Committees (including its size and composition) and contributions of each individual director.
4. Ensure an appropriate framework and plan for Board succession for the Company.

## **MEETINGS**

The Committee shall meet at least once a year. Additional meetings shall be scheduled as considered necessary by the Committee or Chairman/Chairperson. The Committee may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.

The Committee shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Board and at the cost of the Group. The Committee may request other directors, members of management, counsels, and consultants as applicable to participate in Committee meetings, as necessary, to carry out the Committee's responsibilities. Non-committee directors and members of management in attendance may be required by the Chairman/Chairperson to leave the meetings of the Committee when so requested.

The Committee meeting agendas shall be the responsibility of the Committee, Chairman/Chairperson with input from Committee members. The Chairman/Chairperson may also request management to participate in this process. The agenda for each meeting including supporting information shall be circulated at least seven (7) days before each meeting to the Committee members and all those who are required to attend the meeting.

The Committee shall record minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairman/Chairperson of the meeting at which the proceedings were held or by the Chairman/Chairperson of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes of the Committee meeting shall be available to all Board members.

The Committee, through its Chairman/Chairperson, shall report to the Board at the next Board of Directors' meeting after each Committee meeting. When presenting any recommendation to the Board, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision. The Committee shall provide such information to the Board as necessary to assist the Board in making a disclosure in the Annual Report in accordance to the Principle 2 of MCCG 2017.

The Chairman/Chairperson of the Committee shall be available to answer questions about the Committee's work at the AGM of the Company.

## **DUTIES AND RESPONSIBILITIES**

The duties of the BNRC shall include the following: -

### **Board Composition and Dynamic**

1. To determine the criteria for Board membership, including qualities, experience, skills, education and other factors that will best qualify a nominee to serve on the Board.

2. To review annually and recommend to the Board with regards to the structure, size, balance and composition of the Board and Committees including the required mix of skills and experiences, core competencies which non-executive directors should bring to the Board and other qualities to function effectively and efficiently.
3. To consider, evaluate and propose to the Board any new board appointments, whether of executive or non-executive position. In making a recommendation to the Board on the candidate for directorship, the Committee shall have regard to:
  - Size, composition, mix of skills, experience, competencies and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board; and
4. To propose to the Board, the responsibilities of non-executive, including membership and Chairman/Chairperson of Board Committees.
5. To evaluate and recommend the appointment of the Managing Director or Chief Executive Officer and their duties and the continuation (or not) of their service.
6. To establish and implement process for assessing the effectiveness of the Board as a whole, the Committee of the Board and for assessing the contribution of each director.
7. To evaluate annually the effectiveness of:
  - each director's ability to contribute to the effectiveness of the Board and the relevant Board Committees and to provide the necessary feedback to the directors in respect of their performances;
  - Committee of the Board; and
  - the Board as a whole.
8. To recommend to the Board:
  - the re-election of directors who are retiring by rotation;
  - the termination of membership of individual directors in accordance with policy, for cause or other appropriate reasons.
9. To establish appropriate succession plans at Board level, and if appropriate, senior management level.
10. To provide adequate training for new directors with respect to the business, structure and management of the Group as well as the expectations of the Board with regards to their contributions to the Board and Company.
11. To consider other matters as referred to the Committee by the Board.

### **Remuneration**

1. To establish and recommend the remuneration structure and policy for executive directors, the Chief Executive Officer and /or any other persons as the Committee is designated to consider by the Board, and to review changes to the policy, if and when necessary.
2. To ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration setting forming a significant proportion of the total remuneration package of executive directors.

3. To review and recommend individual remuneration packages for each of the executive directors, the Chief Executive Officer and, as appropriate, any other persons as the Committee is designated to consider by the Board, including: the terms of employment or contract of employment/service; benefits, pension or incentive scheme entitlement; any other bonuses, fees and expenses; and any compensation payable on the termination of the service contract by the Company.
4. To review with the Chief Executive Officer, his/her goals and objectives and to assess his/her performance against these objectives as well as contribution to the corporate strategy.
5. To review the performance standards for key executives to be used in implementing the Group's compensation programs where appropriate.
6. To consider and approve compensation commitments/severance payments for executive directors and the Chief Executive Officer, where appropriate, in the event of early termination of the employment/service contract.
7. To consider other matters as referred to the Committee by the Board.

#### **WRITTEN RESOLUTION**

1. Decisions of the NC Committee may be made via written resolution.
2. All decisions and /or approvals made via written resolution shall be presented at the subsequent Committee meeting for notation.

Any amendment to this term of reference can only be approved by the Board. These terms of references will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Committee's responsibilities.

The written terms of references should be made public in the Company's website.