

# **PROTASCO BERHAD**

## **Directors Nomination and Remuneration Policy and Procedures**

### **OBJECTIVE**

The Nomination & Remuneration Committee (“NRC”) of Protasco Berhad is responsible:

- 1) to recommend identified candidate(s) to the Board if a vacancy on the Board is anticipated or otherwise occurs due to resignation, retirement or any other reasons or if there is a need to appoint additional Director(s) with the required skill or profession in order to achieve a better balance in the way boards are composed in terms of gender, age, background, experience and competency.
- 2) To determine and recommend fair and comprehensive remuneration packages that commensurate with the responsibilities and scope of works of a director.

### **A. NOMINATION**

The NRC considers candidates for directorship identified from various sources such as personnel recommended by existing directors, senior management staff, shareholders or third party referrals.

A Director candidate is to be evaluated by the Committee based on the following basic criteria before the Committee recommends the candidate to the Board of Directors for its consideration:

Potential candidate should:

- a) Complement the current board composition
- b) Have the required skills, knowledge and expertise to add value to the Board
- c) Be able to commit the necessary time to their position, in general, the maximum number of directorships in other public companies should not exceed 5

The NRC will review the size and composition of the board, the board’s current skills and qualities on an annual basis and recommend areas in which the board, board committees or individual director could improve.

The NRC will assess the training needs of its Directors vide its yearly assessment conducted and identify key areas of focus for training programmes to enable directors to effectively discharge their duties, before recommendation is made to the Board of directors for approval.

The NRC will assess the director who is subject to re-election and/or re-appointment at next Annual General Meeting based on the yearly assessment conducted before recommendation is made to the Board and shareholders for the re-election and/or re-appointment.

The Board of Directors as a whole, based on the yearly assessment conducted, to assess the independence of each independent director whether the independent director provides a balanced, unbiased and independent view in Board’s deliberation.

The tenure of an independent director is capped at twelve years, an independent director who continue to serve the company for more than twelve years shall serve in the capacity of a non-independent director.

An independent director shall immediately notify the Company Secretary of any change in circumstances that may result in him not being able to meet the criteria for independence.

The NRC shall report to the Board of Directors on succession planning for the board chairman, directors and key management personnel, to evaluate together with the Board of Directors potential successors, by taking into consideration the challenges and opportunities facing the Company.

## **B. REMUNERATION**

### **a) Remuneration of Executive Directors**

The remuneration of the Executive Directors shall be proposed and subject to review by the NRC for Directors' approval.

The NRC shall take into consideration their responsibilities, scope of works, remuneration paid by other companies in a comparable sector and other relevant factors.

Executive Directors shall also be entitled to other standard benefits provided to employees of the Company such as company car, medical expenses, insurance coverage and other additional benefits if so proposed by the NRC for the Board's approval.

### **b) Remuneration of Non-Executive Directors**

The remuneration of non-executive directors shall be proposed by the NRC and reviewed by the Board which comprises the following:

|                   |                                                                                                                                                                                                                                |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director Fee      | Non-Executive Directors receive fees. The fees are to be determined and recommended by the Board and to be approved by shareholders.                                                                                           |
| Meeting Allowance | The Non-Executive Directors of the Company will receive meeting allowance for attending Board Committee meetings, Board meetings and general meetings. The meeting allowances are to be determined by the Board.               |
| Other benefits    | The Non-Executive directors of the Company are also entitled to other benefits provided to employees of the Company such as receiving discount for purchasing of property(ies) or product(s) developed or sold by the Company. |