

1. Objectives

The Board of Directors of Salutica Berhad (“**Board**”) has approved to merge the Nomination Committee and Remuneration Committee to be known as Nomination and Remuneration Committee (“**NRC**”) with effect from 26 November 2018. The rationale for the merger of the two Board Committees is to enhance the efficiency of the Board Committees in discharging its duties and responsibilities.

The objective of the NRC is to assist the Board of Salutica Berhad (“**Company**”) along with all its subsidiaries under the group (“**Group**”) the following:

- a. to identify and recommend to the Board, candidates for Board directorships;
- b. to evaluate and make recommendations to the Board, pertaining to the following:
 - Directors to fill seats on Committees;
 - review of the re-appointment of Non-Executive and Executive Directors retiring by rotation pursuant to the provisions of the Board Charter of the Company and in respective compliance with the regulations of the AMLR of Bursa Securities;
 - review re-appointment of Non-Executive Directors at the conclusion of a specified term of office as recommended under the Board Charter;
- c. to evaluate the effectiveness of the Board and the Board’s committees (including its size and composition) and contributions of each individual director; and
- d. to ensure an appropriate framework and plan for Board succession for the Company and the Group.
- e. to develop the Group’s remuneration policy framework and determining the remuneration package of its Directors and ensure that the compensation is competitive and consistent with the Group’s business strategy and long-term objectives.
- f. the remuneration packages are structured according to skills, experience and performance of the individuals to ensure that the Group attracts and retains the individuals needed to run the Group successfully.

2. Composition

The members of the NRC shall be appointed by the Board from amongst the Non-Executive Directors and shall consist of no fewer than three members, where the majority of whom are Independent Directors.

No alternate Director shall be appointed as a member of the NRC.

A member of the Committee shall abstain from participating in discussions and decisions on matters directly involving him or her to avoid conflict of interest.

The composition of the members of the NRC is as follows:

Chairman

Mr. Low Teng Lum (Senior Independent Non-Executive Director)

Member

Mr. Leow Chan Kiang (Independent Non-Executive Director)

Mr. Chia Chee Hoong (Independent Non-Executive Director)

3. Chairman

The Chairman of the NRC must be an Independent Non-Executive Director. In the absence of the Chairman, the members shall elect any one of the members present at the meeting to be the Chairman of the meeting.

4. Secretary

The Company Secretary shall be the Secretary of the NRC.

5. Quorum

The quorum of the meeting of the NRC shall be at least two members, a majority of whom must be Independent Directors.

6. Meeting Procedure

At least one meeting shall be convened by the NRC during the financial period and at such other times, as the Chairman of the NRC shall require.

The meetings shall be scheduled by the Secretary and due notice shall be distributed to the members before the meeting together with the agenda and supporting papers.

The minutes of the meeting shall be recorded for reference and inspection purposes. In the absence of a meeting, any issues shall be resolved through circular resolution.

6.1 Venue and Participation

The NRC meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enable the Committee members as a whole to participate for the entire duration of the meeting, and that all information and documents for the meeting must be made available to all members prior to or at the meeting.

7. Authority

The NRC shall have the authority to seek any information it requires from any employees of the Group in order to perform its duties. The NRC is not authorized to make any decisions but is obliged to report its recommendations to the Board for decision.

8. Functions

The NRC shall discharge the following duties and responsibilities and report the same to the Board:

- a. To establish and review the terms of employment of Executive Directors and key senior management of the Group;
- b. To identify and nominate for approval of the Board, candidates to fill board vacancies as and when they arise;
- c. To review the required mix of skills, experience and other qualities, including core competencies, which non-Executive Directors should bring to the Board;
- d. The NRC shall establish the minimum requirements for the board and the Chief Executive Officer to perform their responsibilities effectively;
- e. The NRC shall establish the mechanism for formal assessment of:
 - i. the board's effectiveness as a whole;
 - ii. the contribution by each director to the effectiveness of the board; and
 - iii. the contribution of the board's various committees.
- f. The NRC shall oversee appointment, management succession planning, and performance evaluation of key senior management and recommending to the Board their removal if they are ineffective, errant and/or negligent in discharging their responsibilities.
- g. The NRC shall ensure that all Directors undergo appropriate induction programs and receive continuous training.
- h. The NRC shall also make the necessary recommendations to the Board for matters regarding:-
 - i. plans for succession, in particular, of the Chairman, Chief Executive Officer and Chief Financial Officer;
 - ii. the re-appointment of non-executive director at the conclusion of his or her specific term of office;
 - iii. re-election by the shareholders of any director under the "retirement by rotation" provisions of the company's Articles of Association;
 - iv. retirement of directors during Annual General Meetings;
 - v. review the remuneration of the Managing Director/Chief Executive Officer; and
 - vi. recommend to the Board the proposed directors' fees.

9. Retirement and Resignation

In the event of any vacancy in the NRC resulting in non-compliance in respect of composition of NRC, the Company must fill the vacancy within three months.

10. Term of Office

Each year, the Board must review the term of office, performance of the NRC and each of its members to determine whether the NRC and its members carried out their duties in accordance with their terms of reference.

11. Reporting

The NRC shall report to the Board either formally in writing or verbally, as it considers appropriate, on its terms of reference at least once a year, but more frequently as it wishes.