

PERAK CORPORATION BERHAD (210915-U)  
TERMS OF REFERENCE OF  
THE NOMINATION AND REMUNERATION COMMITTEE

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**Constitution**

The Board resolved on 27 February 2009 to merge the Nomination Committee and the Remuneration Committee into one single committee to be known as Nomination and Remuneration Committee (hereinafter referred to as “**the Committee**”).

**Membership**

The Committee shall be composed of at least three (3) members, appointed by the Board from amongst their members (who are not alternate directors), to comprise exclusively of non-executive directors. A majority of the Committee must be independent directors.

The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every three years.

**Chairman**

The members of the Committee shall elect a Chairman from amongst their number.

**Vacancy, Retirement and Resignation**

All members, including the Chairman, shall hold office only as long as they serve as directors of the Company. If for any reason the number of members of the Committee fails to comply with the membership requirements, the Board shall within three (3) months of the event, appoint such number of new member as may be required to fill the vacancy.

**Powers and Authority**

The Committee is responsible for proposing new nominees for the Boards of the Company and all its subsidiaries and for assessing directors of the Company on an on-going basis. In addition, the Committee is responsible for establishing a formal and transparent procedure for developing policy on the remuneration packages of the executive and non-executive directors of the Company.

The ultimate decisions of the nomination of directors and the determination of the level of remuneration shall be the responsibility of the Board of the respectively companies as a whole after considering the recommendations of the Committee. Directors, whether executive or non-executive, shall not participate in decisions on their own remuneration packages.

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TERMS OF REFERENCE OF  
THE NOMINATION AND REMUNERATION COMMITTEE - *continued*

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**Duties and Responsibilities**

The Committee, in discharging its duties and responsibilities, shall:

- i) Recommend to the Board, candidates for all directorships on the Boards of the Company and all its subsidiaries. In making its recommendations, consider the candidates'—
  - skills, knowledge, expertise and experience;
  - professionalism;
  - integrity; and
  - in the case of candidates for the position of independent non-executive directors, also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.
- ii) Recommend to the Board of the Company, directors to fill the seats on all the Board committees.
- iii) In making its recommendations, consider candidates from the management and, within the bounds of practicability, candidates as proposed by any director or shareholder.
- iv) Review and assess annually the effectiveness of the Board of the Company as a whole, the committees of the Board and the contribution of each individual director, including independent non-executive directors, as well as the chief executive officer taking into account the required mix of skills and experience and other qualities of the Board, including core competencies of the non-executive directors. All assessments and evaluations carried out in the discharge of all its functions should be properly documented.
- v) Recommend to the Board, a policy for determining the executive and non-executive directors' remuneration packages of the Company, drawing from outside advice whenever necessary, to be structured so as to link rewards to corporate and individual performance, reflecting the experience and level of responsibilities undertaken by the individual concerned and in accordance with the financial resources available in the Company.

**Meetings**

The Committee shall meet at least once a year, although additional meetings may be called at any time at the Chairman's discretion and if requested by any member or the Board. The Committee may invite any person to be in attendance at each meeting.

A meeting shall be called by notice in writing of not less than seven (7) days or such shorter notice as may be agreed by the members.

The quorum for each meeting shall be two (2) members.

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TERMS OF REFERENCE OF  
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**Minutes**

Minutes of each meeting shall be kept and distributed to each member of the Committee and the Board. The Chairman shall report on each meeting to the Board. The minutes book shall be opened to the inspection of any director of the Company. The secretary to the Committee shall be the Company Secretary.