

EITA RESOURCES BERHAD (398748-T)

TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

(Adopted on 20 May 2021)

1. OBJECTIVES

The principal objectives of the Nomination and Remuneration Committee (“Committee”) are as follows:-

For Nomination

- i. To recommend to the Board of Directors (“Board”), suitable candidate(s) to be appointed as Director(s) (either as an executive, non-executive or independent non-executive director).
- ii. To evaluate and consider, before making any recommendations, candidate(s) proposed by the existing Board members, senior management or major shareholders.
- iii. To evaluate and consider suitable candidate(s) to fill seats on the Committee.
- iv. To assess annually the effectiveness of the Board and the Committee as a whole and the performance of the Directors of the Company and Chairman of the Board.
- v. To review and assess the independence of the Independent Directors of the Company.

For Remuneration

- i. To attract and retain high caliber Executive Directors needed to run and manage the Company successfully and to assist the Board in its responsibilities in assessing and reviewing the remuneration packages of the Executive Directors, Non-Executive Directors and Senior Management of the Company.

2. COMPOSITION OF MEMBERS

The Board shall elect the Committee members from amongst themselves, comprised exclusively of Non-Executive Directors, a majority of whom must be Independent Directors.

3. CHAIRMAN

The Committee shall elect a Chairman from amongst its members and the elected Chairman of the Committee shall be approved by the Board of Directors. The Chairman of the Committee shall be an Independent Director.

In the event, the elected Chairman is not able to attend the Committee meeting, a member of the Committee shall be nominated as Chairman for the meeting.

4. MEETINGS OF THE COMMITTEE

i. Meetings

The Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. In the event issues requiring the Committee’s decision arise between meetings, such issues shall be resolved through written resolution. Such written resolution in writing shall be valid and effectual if it is signed or approved by letter, facsimile or any electronic means by the majority of the members of the Committee pursuant to the Constitution of the Company.

For the Committee’s meetings (except in the case of an emergency), reasonable notice shall be given in writing to all the members of the Committee.

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Other Board members and senior management may be invited to attend the Committee meetings.

ii. Quorum

A minimum of two (2) members to form the quorum.

iii. Secretary of the Committee

The Company Secretary shall be the secretary of the Committee.

iv. Minutes of the Committee Meeting

Every meeting of the Committee must be recorded either by the Company Secretary or any other person approved by the Committee and such minutes must be signed by the Chairman of the Meeting as evidence that the meeting was duly convened and held.

5. FUNCTIONS

The functions of the Committee are as follows:

For Nomination

- i. To review the size, structure, balance and composition of the Board and the Board Committees.
- ii. To recommend and nominate suitably qualified candidates for the Board in terms of appropriate balance of skills, expertise, attributes and core competencies, taking into consideration the character, experience, integrity, competence and time commitment prior to the appointment. The Committee may utilise independent sources to identify suitably qualified candidate.
- iii. To evaluate the required mix of skills, experience, core competencies, diversity (in terms of age, cultural background and gender) of the Board, the Board Committees and the contribution and performance of the individual Directors for the effective and efficient functioning of the Board and the Board Committees.
- iv. To appraise each individual Director and Chairman of the Board including Independent Non-Executive Directors, Executive Directors as well as the Group Managing Director in terms of their experience, knowledge, credibility and credentials, and assess their effectiveness and contribution in carrying out their obligations and duties as a Board member of the Company. All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.
- v. To examine the ability of each Director to contribute to the effective decision-making process of the Board and ensure that the Board is functioning actively, efficiently and effectively in all its decision making.
- vi. To review annually, the term of office and performance of the Audit Committee and each of its members to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.
- vii. To evaluate annually the effectiveness of the Board as a whole, the Board Committees as a whole for assessing the contribution to the effectiveness on the decision-making process of the Board.

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- viii. To review and assess the independence of the Independent Directors of the Company.
- ix. To recommend to the Board concerning the re-election/re-appointment of Director to the Board pursuant to the Company's Constitution.
- x. To oversee the development of succession planning of the Board and management.
- xi. To carry out such other functions or assignments as may be delegated by the Board from time to time.

For Remuneration

- i. To review and recommend to the Board the appropriate remuneration packages for the Group Managing Director, Executive Directors, Non-Executive Directors and Senior Management of the Company, with or without other independent professional advice or other outside advice;
- ii. To formulate policies, guidelines and set criteria for remuneration packages for the Directors and Senior Management of the Company;
- iii. To ensure that the Directors are fairly and appropriately remunerated according to the general market sentiments or conditions;
- iv. To determine the composition of the various types of components of remuneration such as basic salary, bonus and other benefits in kind for the Group Managing Director and Executive Directors of the Company.
- v. To ensure all necessary actions are taken expediently by the Board to offer appropriate rewards, benefits, compensation and remuneration and to ensure that the levels of remuneration are sufficiently attractive to retain Directors and structuring the remuneration packages to link rewards to the individual performance.
- vi. To ensure that all remuneration packages and benefits given to the Directors are in compliance with the Company's Remuneration Policy and any other all laws, rules, requirements, regulations and guidelines set by the relevant authorities and the Board from time to time.
- vii. To review and if deemed appropriate, endorse for the Board's approval, the performance bonus, incentive payout and salary increment framework for the Group, as recommended by the Group Managing Director, including the total quantum of payment.
- viii. Any other function that may be delegated by the Board which would be beneficial to the Company and ensure the effective discharge of the Committee's duties and responsibilities.
- ix. To carry out such other functions or assignments as may be delegated by the Board from time to time.

6. REPORTING RESPONSIBILITIES

- i. The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within the scope of its duties and responsibilities.

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- ii. The Committee shall make whatever recommendations to the Board it deems appropriate, on any area within its terms of reference and/or where action or improvement is needed.
- iii. The Committee shall report to the Board on its activities, based on its Terms of Reference.

7. GENERAL MEETINGS

The Chairman of the Committee should attend the general meetings to answer to questions relating to the Committee's activities.