



UNITED U-LI CORPORATION BERHAD  
Registration No. 200001008131 (510737-H)

# NOMINATION AND REMUNERATION COMMITTEE

*Version 2022.1 approved by the Board on 22/11/2022*

**UNITED U-LI CORPORATION BERHAD**  
**Registration No. 200001008131 (510737-H)**  
Terms of Reference of Nomination and Remuneration Committee

1.	<p><b><u>INTRODUCTION</u></b></p> <p>The Nomination and Remuneration Committee was formed by the Board of Directors (“the Board”) of United U-Li Corporation Berhad (“ULICORP” or “the Company”) on 27 February 2018.</p> <p>This Terms of Reference of Nomination and Remuneration Committee (“NRC” or “the Committee”) is established pursuant to the Listing Requirements, Malaysian Code on Corporate Governance and approved by the Board.</p> <p>The Committee is responsible for ensuring the Board has the appropriate balance and size, and recommending the right candidates with the necessary mix of skills, experience and competencies to be appointed to the Board.</p> <p>The existence of the Committee does not diminish the Board’s ultimate statutory and fiduciary responsibility for decision-making relating to the functions and duties of the Committee.</p>	<p><a href="#">Clause 192 CC</a></p> <p><a href="#">Paragraph 15.08A(2) MMLR</a></p> <p><a href="#">Practice 7.2 MCCG</a></p>																		
2.	<p><b><u>DEFINITIONS</u></b></p> <p>In this Terms of Reference, unless the context otherwise requires, the following abbreviations shall have the meanings set forth opposite such expressions:-</p> <table border="1" data-bbox="289 989 1224 1367"> <tr> <td>Bursa Securities</td> <td>:</td> <td>Bursa Malaysia Securities Berhad</td> </tr> <tr> <td>CC</td> <td>:</td> <td>Company’s Constitution</td> </tr> <tr> <td>Co Act</td> <td>:</td> <td>Companies Act, 2016</td> </tr> <tr> <td>ULICORP or the Company</td> <td>:</td> <td>United U-Li Corporation Berhad</td> </tr> <tr> <td>MCCG</td> <td>:</td> <td>Malaysian Code on Corporate Governance</td> </tr> <tr> <td>MMLR</td> <td>:</td> <td>Main Market Listing Requirements</td> </tr> </table> <p>Words importing the masculine gender only, include the feminine gender.</p>	Bursa Securities	:	Bursa Malaysia Securities Berhad	CC	:	Company’s Constitution	Co Act	:	Companies Act, 2016	ULICORP or the Company	:	United U-Li Corporation Berhad	MCCG	:	Malaysian Code on Corporate Governance	MMLR	:	Main Market Listing Requirements	
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3.	<p><b><u>COMPOSITION</u></b></p> <p>3.1 The Committee shall comprise of not less than three (3) members.</p> <p>3.2 All members must be Non-Executive Directors (“NED”) and a majority of whom must be Independent Directors. Each member shall devote sufficient time to carry out the responsibilities and duties as a member of the Committee.</p>	<p><a href="#">Paragraph 15.08A(1) MMLR</a></p> <p><a href="#">Guidance 7.2 MCCG</a></p>																		

	<p>3.3 The Committee shall be chaired by an Independent Director or a Senior Independent Director who shall be responsible for the conduct of the meetings.</p> <p>3.4 The Chairman of the Committee is not the Chairman of the Board. This is to ensure that the Chairman of the Committee is able to provide full commitment and devote adequate time to matters under the responsibilities of the Committee and to exercise independent judgement.</p> <p>3.5 The Company Secretary of the Company shall act as the Secretary of the Committee.</p>	<p><u>Practice 5.8 MCCG</u></p> <p><u>Practice 9.1 MCCG</u></p>
<p><b>4.</b></p>	<p><b><u>FUNCTIONS &amp; RESPONSIBILITIES OF THE COMMITTEE</u></b></p> <p>The functions and responsibilities of the Committee are as follows:-</p> <p><b>4.1 <u>NOMINATION</u></b></p> <p>a. Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board and Board Committee vacancies as and when they arise.</p> <p>b. Evaluate the balance of skills, knowledge and experience on the Board and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment of Director.</p> <p>c. Review the time required from a NED. The performance evaluation should be used to assess whether the NED is spending enough time to fulfil their duties.</p> <p>d. Consider candidates from a wide range of professional backgrounds and look beyond the “usual selection criteria”.</p> <p>e. Give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company and what skills and expertise are needed on the Board in the future.</p> <p>f. Regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board and Board Committee and make recommendations to the Board with regards to any changes.</p> <p>g. Regularly review and assess the independence of an Independent Director.</p>	<p><u>Practice 5.1, 5.5 &amp; 6.1 MCCG</u></p> <p><u>Practice 5.6 MCCG</u></p> <p><u>Practice 5.1 MCCG</u></p> <p><u>Guidance 5.8 MCCG</u></p>

	<ul style="list-style-type: none"> <li>i. Keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensure the continued ability of the organisation to compete effectively in the marketplace.</li> <li>j. Ensure that on appointment to the Board, NEDs receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings.</li> <li>k. Ensure that the Company provides an induction programme for newly appointed Directors which aims at communicating to the newly appointed Directors, the Company's vision and mission, its philosophy and nature of business, current issues within the Company, the corporate strategy and the expectations of the Company concerning input from Directors.</li> <li>l. Review the directors' continuing education programmes for existing members of the Board and arrange for attendance of suitable training programmes, where necessary.</li> <li>m. Review the performance of the Audit and Risk Management Committee ("ARMC") annually to determine whether the ARMC and its members have carried out their duties in accordance with their terms of reference.</li> <li>n. The Committee may also engage independent professional advisors or service providers as it deems appropriate in order to carry out its functions and responsibilities.</li> <li>o. Any other duties as may be agreed by the Committee and as directed by the Board of Directors.</li> </ul>	<p><u>Paragraph 15.20 MMLR</u></p> <p><u>Practice 5.6 MCCG</u></p>
<p><b>4.2</b></p>	<p><b><u>REMUNERATION</u></b></p> <ul style="list-style-type: none"> <li>a. to recommend to the Board, the reward framework for executive Directors/GMD/CEO and Senior Management and perform an on-going review of the Executive Directors/GMD/CEO and Senior Management's remuneration structure.</li> <li>b. to recommend to the Board, changes in remuneration, if required, or in the event the present structure and Remuneration Policy are deemed inappropriate.</li> </ul>	

	<ul style="list-style-type: none"> <li>c. the remuneration of the NEDs is to be determined by the Board and on the recommendation of the NRC.</li> <li>d. to review and approve annual salaries, incentive arrangements, service agreements and other employment conditions for the Executive Directors/GMD/CEO with consideration of the performance of the Executive Directors/GMD/CEO. This can be performed by linking Executive Directors/GMD/CEOs' remuneration to corporate and individual performance, such as, performance of the Company, growth of the Company vis-à-vis the growth of the industry, contribution of the Executive Directors/GMD/CEOs' to the Group etc.</li> <li>e. to ensure that the membership to the NRC is disclosed in the Directors' Report in line with the requirements of the Malaysian Code on Corporate Governance.</li> <li>f. to perform regular review of the competitiveness of the Group's remuneration structure and to keep itself fully informed of developments and best practices in the field of remuneration.</li> <li>g. any other duties in relation to setting of remuneration levels as directed by the Board of Directors.</li> </ul>	
	<p><b>4.3 The Committee will make the following recommendations to the Board:</b></p> <ul style="list-style-type: none"> <li>a. Plans for succession for Directors to maintain an appropriate balance of skills on the Board;</li> <li>b. The re-appointment of any NED at the conclusion of their specified term of office;</li> <li>c. Concerning the re-election by shareholders of any Director under the retirement by rotation provisions in the Company's Constitution;</li> <li>d. Concerning any matters relating to the continuation in office of any Director at any time; and</li> <li>e. Concerning the appointment of any Director to executive or other office other than to the positions of Chairman and GMD/CEO, the recommendation for which would be considered at a meeting of the Board.</li> </ul> <p><b>4.4 In the event the Board appoints a new Chairman, the Committee will be guided by the following principles prior to making recommendations to the Board:-</b></p> <ul style="list-style-type: none"> <li>a. That a systematic evaluation be undertaken to identify the skills and expertise required for the role.</li> </ul>	

	<p>b. That all short-listed candidates be considered with the possibility of obtaining external advice, if necessary.</p>	
5.	<p><b><u>MEETING</u></b></p> <p>5.1 The Committee shall meet as required, at least once (1) a year and such other time(s) as it deems necessary for the Committee to fulfil its responsibilities.</p> <p>5.2 A meeting may be held by way of tele-conferencing, video-conferencing or other telecommunication means, which permits all persons participating in the meeting to communicate with each other. A person so participating shall be deemed to be present in person at such meeting and shall be counted in a quorum and be entitled to vote.</p> <p>5.3 The quorum for the Committee meeting shall be at least two (2) members present at the meeting, one of whom must be an Independent Director.</p> <p>5.4 The Committee shall ensure that adequate time is allocated for the Committee meeting to ensure due attention is accorded to matters discussed.</p> <p>5.5 The Chairman of the Committee or the Secretary, on the requisition of a member shall at any time summon a meeting of the Committee by giving reasonable notice. The agenda and papers for meetings should be furnished to the members of the Committee at least five (5) clear days prior to the meetings, to enable them to prepare for these meetings.</p> <p>5.6 The Chairman of the Committee shall chair the Committee meetings and, in his absence, the members present shall elect among themselves, a Chairman of the meeting.</p> <p>5.7 The Committee may invite other members of the management or professional advisors to attend the Committee meetings where the Committee considers their presence necessary.</p> <p>5.8 Any decision to be taken shall be decided by a majority of votes and in the case of equality, the Chairman of the meeting shall have a casting vote. However, the chairman will not have a second casting vote where only 2 <b>directors</b> form the quorum or are competent to vote on the question at issue.</p>	<p><u>Clause 195 CC</u></p> <p><u>Clause 190 &amp; 195, CC</u></p>

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	<p>5.9 The Committee may also deal with matters by way of circular resolutions.</p> <p>5.10 All reports, recommendations and findings of the Committee shall be submitted to the Board for approval.</p>	
<b>6.</b>	<p><b><u>DISCLOSURE</u></b></p> <p>6.1 The Committee shall assist the Board in making the required disclosure concerning the activities of the Committee for inclusion in the Annual Report.</p>	<p><u>Paragraph 15.08A(3)</u> <u>MMLR</u></p>
<b>7.</b>	<p><b><u>REVIEW OF TERMS OF REFERENCE</u></b></p> <p>7.1 These Terms of Reference may be revised or amended from time to time as and when required to meet good corporate governance practices.</p> <p>7.2 All amendments to the Terms of Reference of the Committee must be approved by the Board of the Company.</p> <p>7.3 The Terms of Reference is made available for reference on the Company's website at <a href="http://www.uli.com.my">www.uli.com.my</a>.</p>	<p><u>Paragraph 15.08A(3)</u> <u>MMLR</u></p>