

DAYANG ENTERPRISE HOLDINGS BHD

TERMS OF REFERENCE OF THE JOINT REMUNERATION & NOMINATION COMMITTEE

1. OBJECTIVES

- (a) The Terms of Reference of this Committee is established pursuant to the Listing Requirements and approved by the Board.
- (b) The purpose of the Committee is to assist the Board in fulfilling its roles and responsibilities.

2. COMPOSITION

- (a) The Committee is made up entirely of Non-Executive Directors and shall consist of not less than two (2) members, with a majority of them being independent directors.
- (b) The members of the Committee shall elect a Chairman from among their members who shall be an Independent Director. In the absence of the Chairman of the Committee, the remaining members present shall elect one of their members as Chairman of the meeting.
- (c) The Secretary to the Board of Directors shall also be secretary of this Committee.
- (d) An independent member shall immediately notify the Company Secretary of any change in circumstances that may result in him not being able to meet the criteria of independence.
- (e) The office of a member shall be vacant upon the member's death/resignation/retirement/removal or disqualification as a director of the Company.
- (f) Any vacancy in the Committee shall be filled no later than three (3) months.

3. MEETINGS AND MINUTES

- (a) Two (2) members shall form a quorum for meetings.
- (b) Meetings may be conducted by means of telephone conference, video conference or any other form of audio or audio-visual instantaneous communication and the participation in the meeting pursuant to this provision shall constitute presence in person in such meeting.
- (c) The Committee shall meet at least once a year or more as the Committee deemed necessary to fulfill its responsibilities.
- (d) The Committee shall have full discretion to invite any director or management to attend its meetings.
- (e) Questions arising at any meeting shall be decided by a majority vote, each member having one vote and in the event of a tie, the Chairman shall have a second or casting vote. However, at meetings where two members form a quorum or when only two members are competent to vote on an issue, the Chairman will not have a casting vote.
- (f) The Secretary shall record all proceedings and minutes of the Committee's meetings and shall be kept and circulated to all members of the Committee.
- (g) The Chairman of the Committee shall report to the Board on key issues discussed at the Committee meetings.

4. THE DUTIES AND RESPONSIBILITIES OF THE JOINT REMUNERATION & NOMINATION COMMITTEE

- (a) To make recommendation to the Board on the appointment and re-appointment of Directors by evaluating and assessing the suitability of candidates as Board member or Board Committee member taking into consideration the candidate's:
 - age, skills, knowledge, expertise, experience;
 - professionalism;
 - integrity and
 - in the case of candidates for the position of independent non-executive Directors, the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive Directors.
- (b) Prior to the appointment of a director, the proposed appointee is required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest.
- (c) To conduct an annual review of the composition (including the skills, knowledge, experience and diversity) of the Board and makes recommendations to the Board accordingly with a view of meeting current and future requirements of the Group. Among other evaluation criteria is the commitment displayed, the depth of contribution, ability to communicate and undertake assignments on behalf of the Board.
- (d) To recommend directors who are retiring by rotation to be put forward for re-election.
- (e) To review the term of office and performance of the audit committee and each of the members annually to determine whether such audit committee and members have carried out their duties in accordance with their term of reference.
- (f) To review training and professional development programmes for the Board.
- (g) To recommend the remuneration packages and terms of employment of Executive Directors of the Company to the Board. The Board determines the remuneration of the Non-Executive Directors who abstains from deliberation and decisions made in respect of their individual remuneration.
- (h) To review bonuses of executive Directors based on each individual Director's personal performance.

5. CIRCULAR RESOLUTION

A resolution in writing signed by a majority of all members of the Committee shall be valid and effectual as if it had been passed at a meeting of the Committee.

The expressions "in writing" or "signed" include approval by legible confirmed transmission by email, fax, telegram or other forms of electronic communications.

6. AUTHORITY

- (a) To seek any information it requires from any employee of the Company in order to perform its duties.
- (b) To obtain any outside legal or other professional advice and to ensure the attendance of external advisors at its meetings, at the expense of the Company's expense when necessary.
- (c) These terms of reference may from time to time be amended as required, subject to the approval of the Board.