

BP PLASTICS HOLDING BHD
(Company No. 644902-V)
(Incorporated in Malaysia)

TERMS OF REFERENCE OF NOMINATING AND REMUNERATION COMMITTEE

1. Objective

The principal objective of the Nominating and Remuneration Committee (“**NRC**”) is to assist the Board of Directors in their responsibilities in nominating new nominees to the Board of Directors, developing and establishing competitive remuneration policies and packages, and to ensure that the Board composition meets the needs of the Company/Group. The NRC shall also assess the effectiveness and the contribution of the Board as a whole and each individual Director, the Board Committees and Senior Management of the Company/Group on an on-going basis.

2. Composition of members

The Board of Directors shall elect the NRC members from amongst themselves and shall comprise at least three (3) members, exclusively of Non-Executive Directors and a majority of whom are independent. The term of office of the NRC shall be for a period of one (1) year and may be re-nominated and appointed by the Board of Directors from time to time.

Where the members of the NRC for any reason are reduced to less than three (3), the Board shall, within three (3) months from the occurrence of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

3. Chairman

The Chairman of the NRC shall be elected from amongst the NRC members. The Chairman of the Committee shall be an Independent Director approved by the Board of Directors.

4. Secretary

The Company Secretary or his / her representative shall act as Secretary of the NRC.

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5. Frequency and Attendance at Meetings

The NRC 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. The Chairman may call for additional meetings at any time at the Chairman's discretion.

A member of NRC may participate in a meeting of NRC by means of a telephone conference or video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

The Secretary shall on the requisition of the members of the NRC summon a meeting of the NRC except in the case of an emergency, reasonable notice of every NRC meeting shall be given in writing.

In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the meeting.

Other Directors or employees may attend any particular NRC meeting upon the invitation of the NRC specific to the relevant meeting.

6. Quorum

A quorum shall consist of three (3) members.

7. Circular Resolution

A resolution in writing signed or approved by letter, electronic mail, telex or telefax or other form of electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as "NRC Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one or more members.

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8. Authority

The NRC shall, in accordance with a procedure or process to be determined by the Board of Directors and at the expense of the Company:-

- (a) annually review the required mix of skills and experience and other qualities, including core competencies which each individual Director and Senior Management should have.
- (b) assess on an annual basis, the effectiveness of the Board as a whole, the committees of the Board, and the contribution of each individual Director and Senior Management.
- (c) assess on an annual basis, appointment and re-appointment of Independent Directors as provided in Bursa Malaysia Securities Berhad's Main Market Listing Requirements. The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. After a cumulative term of nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. However, if the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek shareholders' approval annually. If the Board continues to retain the Independent Director after year twelfth (12th), the Board should provide justification and seek shareholders' approval annually through a two-tier voting process.
- (d) be entitled to the services of a Company Secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad or other regulatory requirements.

Notwithstanding anything stated above, the NRC does not have executive powers and shall report to the Board of Directors on matters considered and its recommendations thereon, pertaining to the Company and the Group.

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9. Duties and Responsibilities

The duties and responsibilities of the NRC are as follows:-

(1) With regard to nomination matters

- To recommend to the Board of Directors, candidates for all directorships to be approved by the shareholders or the Board of Directors. In making its recommendations, the NRC should consider the following attributes of candidates:-
 - (a) skills, knowledge, expertise and experience;
 - (b) professionalism;
 - (c) integrity;
 - (d) competencies, commitment, contribution and performance; and
 - (e) in the case of the candidates for the position of Independent Directors, the NRC would also evaluate the candidates' ability to discharge such responsibilities as expected from Independent Directors.
- To consider, in making its recommendations, candidates for directorships proposed by the Managing Director/Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any Director or Shareholder and to take steps to ensure that gender, ethnicity and age group diversity is considered as part of its recruitment exercise.
- To recommend to the Board of Directors the nominees to fill the seats on Board Committees.
- To consider candidates for Board vacancies and recommending Directors who are retiring by rotation to be put forward for re-election.
- To assess the effectiveness of the Board of Directors as a whole and each individual Director/Committee of the Board. All assessments and evaluations carried out by the NRC in the discharge of all its functions would be properly documented.
- To act in line with the directions of the Board of Directors.
- To review the Board's succession planning.

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- To ensure that orientation and education programmes are provided for new members of the Board and to review the Directors' training for existing members of the Board.
- To review the term of office and performance of all Board Committees and each of its members annually to determine whether all Board Committees and their members have carried out their duties in accordance with their terms of reference.
- To consider and examine all such other matters as the NRC considers appropriate or as directed by the Board.

(2) With regard to remuneration matters

- Ensure that the Company maintains remuneration and incentive policies and practices that are competitive, equitable and will attract and retain calibre Directors and Senior Management within the Company and its subsidiaries and which are in line with the long term interest of the Company.
- In respect of Executive Directors and Senior Management, to ensure that the remuneration package commensurate with the skills and responsibility expected of the Director and Senior Management concerned and is sufficient to retain Directors and Senior Management to run the Company successfully.
- In respect of Non-Executive Directors, to ensure via the Board as a whole, that the fee and allowance payable reflect the experience, time demanded of Directors to discharge their duties and level of responsibilities undertaken.
- To consider details of remuneration of each Director and Senior Management concerned, such as basic salary, bonus and other benefits-in-kind, and how these details should be presented in the Annual Report.
- To conduct continued assessment of individual Executive Director and Senior Management concerned to ensure that remuneration is directly related to corporate and individual performance.
- Selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee and considering any other connection that they may have with the Company.

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- Whilst discharging the above duties, Directors should abstain from discussion of their own remuneration.

10. Reporting Responsibilities

The Chairman of the NRC shall report on each meeting to the Board on the nature and extent of the functions performed by NRC and may make such recommendations to the Board as it may think fit.

These terms of reference may change from time to time to fulfill such other requirements as prescribed by the Bursa Malaysia Securities Berhad and/or to align the NRC with recommended best practices and proper corporate governance.