

NOMINATION AND REMUNERATION COMMITTEE

TERMS OF REFERENCE

1.0 Primary Purpose

- 1.1 The primary objectives of the Nomination and Remuneration Committee (“NRC”) of the Board of Directors (“Board”) are:
- (a) to review and recommend the appointments of the members of the Board, members of Board Committees, Senior Independent Non-Executive Director, Managing Director/Chief Executive Officer (“CEO”) and Group’s key management personnel;
 - (b) to review and recommend to the Board the remuneration packages for the Executives Directors, Managing Director/CEO and Group’s management personnel; and
 - (c) to assess the performance of the Board, Board Committees and Group’s key management personnel.

2.0 Membership

- 2.1 The NRC shall consist of not less than three (3) members, including the Chairman, a majority of whom shall be Independent Non-Executive Director.
- 2.2 The Chairman of the Company shall be the Chairman of NRC. In the absence of the Chairman, other members shall elect, from among themselves, a Chairman for the said NRC meeting.
- 2.3 All members of NRC, including the Chairman, shall hold office so long as they serve as Directors of the Company.
- 2.4 Members of NRC may relinquish their membership in NRC with prior written notice to the Chairman/Company Secretary.
- 2.5 Individual member of the NRC may be removed from office by the affirmed vote from majority of the members of the Board.
- 2.6 If a member of the NRC resigns, dies or for any reason ceases to be a member resulting in the non-compliance with the above paragraph, the Board shall within three (3) months from such event, appoint a new member as required to fill up the quorum.

3.0 Meetings and Minutes

- 3.1 The meetings shall be held at least twice a year or as and when required.
- 3.2 Unless otherwise agreed by the NRC members, notice of each meeting confirming the venue, time and date together with agenda of items to be deliberated and board papers, shall be forwarded to each member of the NRC at least five (5) business days prior to the date of the meeting.
- 3.3 Minutes of each meeting shall be kept and distributed to each member of the NRC and the Board. The Chairman of the NRC shall report on each meeting to the Board.
- 3.4 A resolution in writing signed by a majority of members shall be valid and effectual as if it had been passed at a meeting of the NRC. Any such resolution may consist of several documents in like form, each signed by one (1) or more members. The expressions “in writing” or “signed” include approval by legible confirmed transmission by facsimile, telex, cable, telegram or other forms of electronic communications.

4.0 Quorum

- 4.1 The quorum for meeting shall be two (2) members, with the majority of members present must be an Independent Non-Executive Directors.

5.0 Secretary

- 5.1 The Company Secretary shall be the Secretary of the NRC.

6.0 Authority

- 6.1 The NRC within the scope of its assigned duties, is authorised to seek any information it requires from employees and external parties.
- 6.2 The NRC may engage external consultants and other advisers or otherwise obtain such independent legal or other professional services it requires, at the expense of the Company.
- 6.3 The Board will provide the NRC with sufficient resources to undertake its duties.

7.0 Duties and Responsibilities

7.1 Specific responsibilities in relation to *nomination* matters:-

- (a) Review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, the Board Committees, and all directorships in the Group with a view to determine the impact of the number of Directors on the Board's, Board Committee's and the Group's effectiveness and recommend to the Board on any improvements to be made.
- (b) Develop, review and recommend to the Board the Policy on Board Composition (once developed), having regard to the mix of skills, knowledge, experience, expertise, independence and diversity (including gender, ethnicity and age) and other qualities required to facilitate effective and efficient functioning of the Board, including core competencies which Non-Executive Directors should bring to the Board and to annually review the above.
- (c) Recommend to the Board for its approval, candidates for the CEO, Executive Director and Senior Management of the Group by considering the prospective candidates character, experience, competence and integrity as prescribed by Paragraph 2.20A of the Listing Requirements.
- (d) Review and recommend the extension of contract of the Executive Director(s), Managing Director/CEO, the Group's Senior Management and any other person the Board may be determines.
- (e) Review and recommend to the Board any matters relating to the continuation in office including the suspension or termination of service of the Executive Director(s), Managing Director/CEO, the Group's Senior Management and any other person the Board determines subject to the provision of the law and their service contracts.
- (f) Develop, maintain and keep under review the criteria to be used in the appointment/recruitment process of the Board, the Board Committees, all directorships in the Group, Executive Director(s), Managing Director/CEO and recommend to the Board for its approval.

- (g) Recommend to the Board for its approval, candidates for the Board, the Senior Independent Non-Executive Director, the Board Committees, Executive Directors and all directorships in the Group.
- (h) The NRC shall also consider the prospective Director's character, experience, competence, integrity and time commitment, as prescribed by Paragraph 2.20A of the Listing Requirements, the Policy on Board Composition as well as the following factors:
 - (i) skills, knowledge, expertise and experience;
 - (ii) contribution and performance;
 - (iii) character, professionalism and integrity;
 - (iv) number of directorships and other external obligations which may affect the Director's commitment, including time commitment and value contribution; and
 - (v) in the case of candidates for the position of Independent Director, the NRC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Directors.
- (i) Prior to the appointment, the prospective Director shall be required to disclose any other business interest that may result in a conflict of interest.
- (j) Upon the recommendation of the NRC, the Chairman is given the mandate to finalise and recommend nominee directors of the Company to the respective boards of its subsidiaries and/or associates of the Company.
- (k) Review the re-appointment/re-election/retirement process of Directors having regard to their performance and ability to continue to contribute to the Board in light of their knowledge, skills and experience based on the annual Board assessment.
- (l) Make recommendations to the Board for its approval on the re-appointment/re-election/retirement of the Directors of the Company.
- (m) Set out and communicate the expectations of Directors regarding the level of contribution and time commitment.
- (n) Recommend to the Board and facilitate appropriate induction programmes for new Directors and facilitate appropriate education programmes for newly appointed Directors and existing Directors.

- (o) Ensure that prior to new Board appointments, a full assessment of the candidate is undertaken based on Policy on Board Composition to assess the necessary and desirable core competencies of the candidate so that an appropriate balance of skills, experience, expertise and diversity are maintained, and that the Board is able to discharge its responsibilities effectively.
- (p) Assess, on an annual basis, the effectiveness of the Board as a whole, the individual Directors, the Board Committees and the contribution of each individual Director, the performance evaluation of the Managing Director/CEO and the Senior Management and to maintain proper documentation of such assessment.
- (q) Review, on an annual basis, the independence of Independent Directors with reference to the definition of “Independent Director” as stipulated by Paragraph 1.01 of the Listing Requirements.
- (r) To review and recommend to the Board the succession planning framework for the Senior Management of the Company.
- (s) To consider and recommend any other measures to upgrade the effectiveness of the Board, its NRC and Boards of subsidiaries.

7.2 Specific responsibilities in relation to **remuneration** matters:-

- (a) To review and recommend the general remuneration policy for the following :-
 - (i) of the Company and the Group;
 - (ii) for Directors, Managing Director/CEO and Senior Management of the Company.
- (b) Develop a remuneration framework for formal and transparent remuneration policies and procedures, taking into consideration the best practices, views of industry experts, obtaining and analyzing the available data, stakeholders and the market at large, to attract and retain Directors of the Company and Senior Management of the Group.
- (c) Design, formulate and recommend to the Board for its approval, and maintain under review, the remuneration packages for Non-Executive Directors of the Group and Board Committees and ensure the remuneration level is sufficient to attract, retain and motivate high calibre individuals with the required qualification, skills, talent and experience.

- (d) To establish an equitable remuneration structure as well as to recommend suitable combination of remuneration types, e.g. fees, allowances, performance share plans, long-term and short-term performance incentives, benefits-in-kind and pension rights (if necessary) for Directors of the Group and the Senior Management of the Company.
- (e) Determine and agree with the Board an appropriate performance framework, endorse its application in setting performance targets for the remuneration of the Executive Director(s) and the Managing Director/CEO of the Company.
- (f) To carry out other actions and such other matters as may be referred to it from time to time by the Board.

This Terms of Reference for Nomination and Remuneration Committee is dated 26 November 2018.