



A member of **UEM** 

PLUS MALAYSIA BERHAD

(Company No.: 923639-A)

**TERMS OF REFERENCE
OF THE
NOMINATION & REMUNERATION COMMITTEE**

(Approved by the Board of Directors on 22 October 2018)

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NOMINATION & REMUNERATION COMMITTEE

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PLUS MALAYSIA BERHAD

NOMINATION & REMUNERATION COMMITTEE ("NRC")

TERMS OF REFERENCE

1.0 DEFINITIONS AND INTERPRETATION

1.1 In these Terms of Reference, where the context so admits the following expressions shall have the following meanings:

"Act"	The Companies Act 2016 and any every other Act or Ordinance for the time being in force concerning companies and affecting the Company;
"Board"	The Board of Directors of PLUS Malaysia Berhad;
"Board Committee/s"	Committees that have been or will be set up as authorised by the Board, with the exception of this Committee with specific terms of reference and delegated authority;
"Committee"	Nomination & Remuneration Committee;
"Company Secretary"	Joint Company Secretaries of PLUS Malaysia Berhad;
"Company or PMB"	PLUS Malaysia Berhad (923639-A);
"Framework of Policies"	The framework of policies as detailed out in item 2.1;
"PMB Group" or "Group"	PLUS Malaysia Berhad and its subsidiaries and associated companies;
"Executive Directors"	Managing Director, other Executive Directors by whatever name called by PMB Group;
"Independent Director/s"	A director declared as Independent;
"Member/s"	A member or members of the Committee as appointed pursuant to this Terms of Reference;
"Significant Shareholder"	A shareholder with the ability to exercise a majority of votes for the election of Directors;
"Secretary"	Secretaries of the Committee;
"Senior Management"	Senior management team which includes the Managing Director, other Executive Directors, Chief Financial Officer, Chief Operating Officers, Chief Commercial Officer, Chief Technology & Innovation Officer, employees at job grade UT2 and above and senior management employees in pivotal positions as may be identified and determined from time to time by the Managing Director;
"Terms of Reference"	The terms of reference of the Committee;

- 1.2 In this Terms of Reference, unless the context otherwise requires:
- 1.2.1 words importing the masculine gender shall include the feminine, neuter genders and vice versa; and
- 1.2.2 words importing the singular shall include the plural and vice versa.

2.0 OBJECTIVES OF THE NOMINATION & REMUNERATION COMMITTEE

2.1 The **objectives of the Committee on Nomination of the Board and Senior Management** are:

- (a) Establish a Framework of Policies from which the Committee shall make its recommendation to the Board on the nomination of new directors to the Board of PMB. The actual decision as to who shall be nominated shall be the responsibility of the Board after considering the recommendations of the Committee. The Framework of Policies shall take into consideration the following:
- (i) in recommending possible candidates, the Committee should consider the candidates':
- skills, knowledge, expertise and experience;
 - professionalism;
 - integrity, commitment (including time commitment), character and competence;
 - gender, age and ethnicity/nationality for the purpose of boardroom diversity;
 - any business interest that may result in a conflict of interest; and
 - in the case of candidates for the position of independent nonexecutive directors, the Committee should also evaluate amongst others, the candidates' ability to discharge such responsibilities, the candidates' background and other activities that qualify him or her as an independent director and also whether he or she can act independently of management;
- (ii) in recommending possible candidates, the Committee may consider candidates proposed by the Managing Director and within bounds of practicability, by any director, shareholder or senior officers of the Company and may utilise independent sources to identify suitably qualified candidates including directors' registry, open advertisements or, independent search firms;
- (iii) in recommending possible candidates, the Committee will take steps to ensure that women candidates are sought as part of the recruitment exercise;
- (iv) in circumstances where the Company has a Significant Shareholder the Committee shall assist the Board in including a number of directors which fairly reflects the investment in the Company by shareholders other than the Significant Shareholder; and

- (v) in circumstances where a shareholder holds less than the majority but is still the largest shareholder, the Committee shall assist the Board in exercising judgement in determining the appropriate number of directors sitting on the Board which fairly reflects the investment in the Company by the remaining shareholders;
- (b) Assist the Board in reviewing the Board's required mix of skills, experience and other qualities, including core competencies which non-executive directors should bring to the Board.
- (c) Implement a formal and objective annual Board evaluation process to assess the effectiveness of the Board as a whole, its Committees and the contribution of each individual director of the Board as well as the independence of Independent Directors.
- (d) Recommend to the Board on the engagement of independent experts periodically to facilitate objective and candid Board evaluations which will lend greater objectivity to the assessment by providing an unbiased perspective on a Director's performance and his ability to contribute effectively to the Board.
- (e) Assist the Board in examining and reviewing the size, governance and composition of the Board and Board Committees of the Company, with a view to determining the impact of the number and composition of directors upon its effectiveness.
- (f) Assist the Board in nominating the membership of Board Committee members of PMB.
- (g) Recommend to the Board on the nomination of Senior Management of PMB whose appointment are based on objective criteria, merit with due regard for diversity in skills, experience, age, cultural background and gender, while taking steps to ensure that women candidates are sought in its recruitment exercise for Senior Management.
- (h) Assess the managing director, chief executive, chief financial officer, chief operating officer, chief commercial officer and chief technology & innovation officer on their character, experience, integrity, competence and time to effectively discharge their roles.
- (i) Assist the Board in establishing an appropriate succession plan for Senior Management including the appointment, development, and where appropriate, the replacement of Senior Management.
- (j) Assist the Board in fulfilling its fundamental role and responsibility to oversee the development of the Company's future leaders and human capital as follows and among others:
 - (i) select and proactively plan for Senior Management succession;
 - (ii) review the performance management philosophy;
 - (iii) evaluate the Senior Management;
 - (iv) endorse the performance or where applicable moderate their achievements and development plans of Senior Management; and
 - (v) understand the pool of future leaders.

- (k) Assist the Board in supporting the Managing Director of the Company in delivering the company-wide improvement agenda by playing a governance, but not management, role in the following key elements:
 - (i) the leadership model for the Managing Director;
 - (ii) providing assistance to the Managing Director in recruiting and retaining Senior Management, and in reviewing talent management and succession planning framework.
 - (iii) ensuring adequate levels of investment in leadership development programmes.
 - (iv) coaching and mentoring high performance leaders, including the Managing Director and his successors.
 - (v) reviewing the organisational design framework of the Company.

2.2 The objectives of the Committee on the **Remuneration of Executive Directors and Senior Management** are:

- (a) Establish a Framework of Policies from which it will make the necessary recommendations to the Board for the remuneration package of Executive Directors and Senior Management. In this role, the Committee shall seek to ensure fair remuneration to the Executive Directors and Senior Management, which, while set in the context of what the Company can reasonably afford, recognises the following principles:
 - (i) that Executive Directors and Senior Management receive compensation which are appropriate to their scale of responsibilities taking into account the demands, complexities and performance of the Company as well as skills and experience required;
 - (ii) that performance targets are established to achieve alignment with the interests of shareholders of the Company, with an appropriate balance between long and short term objectives; and
 - (iii) the need to attract, motivate and retain Executive Directors and Senior Management of the necessary calibre to run the Company successfully.
- (b) Make recommendations to the Board on all elements of the remuneration, terms of employment, reward structure and fringe benefits for Executive Directors and Senior Management.
- (c) Assist the Board in reviewing the key performance indicators ("KPI"), performance, compensation and remuneration packages of the Executive Directors and Senior Management, and to make the appropriate recommendations to the Board.

2.3 The objectives of the Committee on the **Remuneration of Non-Executive Directors** are:

- (a) To recommend to the Board on the remuneration and entitlement of the Non-Executive Directors, including the Non-Executive Chairman. Such remuneration and entitlement shall be a matter to be decided by the Board as a whole, with the Director concerned abstaining from deliberation and voting on decisions in respect of his individual remuneration. The level of remuneration shall reflect the level of responsibilities undertaken by a particular Non-Executive Director.

- (b) In considering the appropriate remuneration and entitlement of the Non-Executive Directors, the Committee shall take into consideration the need to attract, retain and motivate individuals of the necessary calibre.

3.0 COMPOSITION OF THE NOMINATION & REMUNERATION COMMITTEE

- 3.1 The Committee shall compose of Non-Executive Directors. Notwithstanding this, the Board may appoint any member of the Management of the Company or the holding company, who the Board deems fit, as the member of the NRC on a case to case basis.
- 3.2 The composition of the Committee must not be less than three (3) members.
- 3.3 Where the members for any reason are reduced to less than three (3), the Board shall within six (6) months of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.
- 3.4 If the Chairman is not determined by the Board, the members of the Committee shall elect a Chairman from among the Independent Directors on the Committee.
- 3.5 All members of the Committee, including the Chairman, shall hold office only for so long as they serve as Directors of the Company.
- 3.6 Members of the Committee may relinquish their membership in the Committee with prior written notice to the Secretary and may continue to serve as Directors of the Company, or as determined by the Board.

4.0 SECRETARY

- 4.1 The Company Secretary of PMB and/or their representatives shall be the Secretary of the Committee.
- 4.2 The Company Secretary shall ensure that all appointments of new directors have been properly made and are in compliance with the Act and other applicable laws.

5.0 DUTIES AND RESPONSIBILITIES OF THE NOMINATION & REMUNERATION COMMITTEE

- 5.1 The main duties and responsibilities of the Committee shall include but not limited to the following:
 - (a) Periodically review the Framework of Policies from time to time;
 - (b) Advise the Board regarding the details and implementation of the Framework of Policies;
 - (c) Make or approve the necessary recommendations as specified under the objectives of the Committee;
 - (d) Assist the Board in reviewing the performance of the Senior Management and the other Directors annually;
 - (e) Recommend to the Board the appointment and termination of individual Directors;

- (f) With respect to the nomination of new candidates for Board membership, to recommend to the Board the criteria, with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position, qualifications, and experience deemed appropriate for the particular vacancy to be filled taking into account:
 - (i) the need to maintain balance on the Board;
 - (ii) the need for the candidate to possess the particular functional knowledge and relevant experience and expertise, including but not limited to, financial literacy skills and accounting and the relevant business experience with respect to the Company's core activities;
 - (iii) recommend the procedure to be followed in developing a list of candidates; and interviewing and evaluating them.
- (g) Review and recommend to the Board annual bonus and any other rewards element for Executive Directors and Senior Management;
- (h) Review and recommend the following to the Board for consideration and approval:
 - (i) the setting and achievement of the Corporate Scorecards; and
 - (ii) the setting and achievement of Scorecards of the Managing Director;
- (i) Recommend annual bonus, annual increment, market adjustment and promotion increment budget to the Board for consideration and approval;
- (j) Design and implement an evaluation procedure for Executive Directors and Senior Management;
- (k) If instructed by the Board, review the proposals for the remuneration package of each member of the Company's Committees;
- (l) Review Senior Management's succession plans and ensure there are programmes in place to provide for the orderly succession of Senior Management;
- (m) Review the remuneration policies and procedures to attract and retain Directors;
- (n) Review and recommend to the Board for approval at general meetings the fee structure and benefits of the Board and Board Committees to reflect the skills and competencies as well as general practice in the market place;
- (o) Assess the training needs of each Director, review the fulfilment of such training, and disclose details in the Annual Report (if applicable) as appropriate;
- (p) In the case of the candidates for the position of Independent Non-Executive Directors, the Committee evaluates the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors;

- (q) Review the term of office and performance of the Audit And Risk Committee and each of its members annually to determine whether the Audit And Risk Committee and each of its members have carried out their duties in accordance with their terms of reference;
- (r) Consider and recommend the re-election of the Directors subject for retirement by rotation based on the provisions in the Company's Constitution at each Annual General Meeting;
- (s) Recommend to the Board the Company's proposed Boardroom diversity policies, target (if any) and discuss measures to be undertaken to achieve those targets;
- (t) Review any other human capital matters as may be required from time to time including the employee engagement survey;
- (u) In discharging its duties, the Committee shall at all time be mindful of the provisions of the Malaysian Code on Corporate Governance and all applicable laws, regulations and guidelines; and
- (v) Carry out any other purpose as directed and approved by the Board from time to time.

6.0 POWERS OF THE NOMINATION & REMUNERATION COMMITTEE

6.1 In carrying out its duties and responsibilities, the Committee shall have the following powers:

- (a) Explicit authority to investigate any matter within its terms of reference and to appoint such independent experts or investigator(s), as appropriate.
- (b) The resources that are required to perform its duties;
- (c) Full, free and unrestricted access to any information, records, properties and personnel of PMB and of any other company within its Group;
- (d) Be able to obtain independent professional or other advice and invite outsiders with relevant expertise to attend the Committee's meetings (if required) and to brief the Committee, at the expense of the Company; and
- (e) Access to the advice and services of the Company Secretary.

7.0 NOMINATION & REMUNERATION COMMITTEE MEETINGS

7.1 The Committee shall convene meetings as and when required, provided that the Committee shall meet at least once a year. The Committee will meet as required and report to the Board after each meeting. The number of committee meetings held a year and the details of attendance of each individual member in respect of meetings held should be disclosed annually.

7.2 The meetings shall be chaired by the Chairman of the NRC. In the absence of the Chairman, the members present shall elect from among themselves, a Chairman for the meeting.

- 7.3 The Chairman of the Committee, or the Secretary on the requisition of the Members, shall at any time summon a meeting of the Members by giving due notice. It shall not be necessary to give notice of a Committee meeting to any Member for the time being absent from Malaysia.
- 7.4 A resolution in writing signed and approved by all the Committee Members who may at the time be present in Malaysia and who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the Committees duly called and constituted. All such resolution shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by him/her in the Company's Minute Book. Any such resolution may consist of several documents in like form each signed by one or more Committee members.
- 7.5 A meeting of the Committee may be held by means of telephone, video conference or telephone conference or other telecommunication facilities, 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.
- 7.6 No business shall be transacted at any meeting of the Committee unless a quorum is present. **The quorum for each business shall be two members.**
- 7.7 All recommendations and findings of the Committee are submitted to the Board for approval.
- 7.8 The Executive Directors shall abstain from the deliberations and voting on decisions in respect of their remuneration packages.
- 7.9 The Secretary shall draw up an agenda for each meeting, in consultation with the Chairman of the Committee. The agenda shall be sent to all Members of the Committee and any other persons who may be required to attend the meeting.
- 7.10 The Secretary shall promptly prepare the written minutes of the meeting and distribute it to each Member. The minutes of the Committee shall be confirmed and signed by the Chairman of the Committee or the presiding Chairman of the next succeeding meeting.
- 7.11 The minutes of each meeting shall be entered into the minutes book kept at the registered office of the Company under the custodian of the Company Secretary. The minutes book shall be open for the inspection of the Board, external auditor, internal auditor, management and other persons deemed appropriate by the Company Secretary.
- 7.12 Appropriate officers of the Company or professional advisors may be invited to attend the meetings where the Committee considers their presence necessary.

8.0 CHAIRMAN OF THE NOMINATION & REMUNERATION COMMITTEE

- 8.1 The following are the main duties and responsibilities of the Chairman of the Committee:
- (a) Steer the Committee to achieve its objectives;

- (b) Consult the Secretary with assistance of the Company's head of human resource where necessary, for guidance on matters related to the responsibilities of the Committee under the rules and regulations to which it is subject to and how those responsibilities should be discharged;
- (c) Provide a reasonable time for discussion at the Committee meetings. Organise and present the agenda for Committee meetings based on input from Members and ensure that all relevant issues are on the agenda. In addition, the Chairman should encourage a healthy debate on the issues at hand and bring to the Committee a healthy level of scepticism and independence. The Chairman will report to the Board after each meeting;
- (d) Provide leadership to the Committee and ensure proper flow of information to the Committee, reviewing adequacy and timing of documentation;
- (e) Ensure that consensus is reached on every Committee resolution and where considered necessary, call for a vote and the decision will be made by simple majority;
- (f) Ensure that all Members are enabled and encouraged to play their role in activities. This includes making certain that all Members receive timely, relevant information tailored to their needs and that they are properly briefed on issues arising at Committee meetings; and
- (g) Manage the processes and working of the Committee and ensure that the Committee discharges its responsibilities.

9.0 NOMINATION & REMUNERATION COMMITTEE MEMBERS

9.1 Each Committee Member will be expected to:

- (a) Provide independent opinions to the fact-finding, analysis and decision making process of the Committee, based on their experience and knowledge;
- (b) Consider viewpoints from the other Committee Members; make decisions and recommendations for the best interest of the Board collectively;
- (c) Keep abreast of the latest corporate governance guidelines in relation to the Committee and the Board as a whole;
- (d) Continuously seek out best practices in terms of the processes utilised by the Committee, following which these should be discussed with the rest of the Committee for possible adoption; and
- (e) Abstain from the deliberation and voting on decision in respect of his remuneration.

10.0 DISCLOSURE

10.1 The Committee shall assist the Board in making certain disclosures concerning the activities of the Committee and other information in the Corporate Governance Statement to be issued in the Annual Report (if applicable), such as:

- (a) List of activities of the Committee in discharging its duties for the financial year:
 - (i) the policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the listed issuer;
 - (ii) the board nomination and election process of directors and criteria used by the Committee in the selection process; and
 - (iii) the assessment undertaken by the Committee in respect of the board, committees and individual directors together with the criteria used for such assessment and its outcome.

- (b) Detailed disclosure on named basis for the remuneration of individual Directors as follows:
 - (i) the remuneration received by the Directors of the Company, stating the amount they received from PMB and the Group respectively, if any; and
 - (ii) the amount in each component of the remuneration (e.g. fees, salary, bonus, benefits-in-kind and other emoluments) for each Director.

11.0 REVISION OF THE TERMS OF REFERENCE

- 11.1 Any revision or amendment to the Terms of Reference, as proposed by the Committee or any third party, shall first be presented to the Board for its approval.
- 11.2 Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.
- 11.3 The Terms of Reference shall also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the Committee's role as a whole.