



# **TECK GUAN PERDANA BERHAD**

(Company No. 307097-A)  
Incorporated in Malaysia

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

Revised 22<sup>nd</sup> January 2018

## TERMS OF REFERENCE OF THE NOMINATION & REMUNERATION COMMITTEE

### CONSTITUTION

1. a. The Board of Teck Guan Perdana Berhad (“the Company”) had established the Nomination Committee (“NC”) and the Remuneration Committee (“RC”), both on 31 March 2003.
- b. The Board merged the NC and RC into a combined committee called “**Nomination & Remuneration Committee**” on 22 January 2018.

### COMPOSITION

2. The members of the Nomination & Remuneration Committee (“**the Committee**” or “**the NRC**”) are as follows:

<b>Chairman</b>	: Mr. Wong Peng Mun	Independent Non-Executive Director
<b>Committee Members</b>	: Mr. Fung Hiuk Bing, MIA 11342	Independent Non-Executive Director
	Mr. Tham Vui Vun, MIA 3667	Independent Non-Executive Director

### MEMBERSHIP

3. The NRC shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three members. All members of the Committee must be non-executive directors, a majority of whom must be independent directors.
4. The Chairman of the Committee must be an independent director elected among the members of the Committee.
5. In event of any vacancy in the Committee resulting in the numbers of members being reduced to below three, the Board shall within 3 months fill the vacancy; and/or in the case of the chair being vacant, the members shall within 3 months of that vacancy, elect a new Chairman from amongst themselves.

## **AUTHORITY**

6. In accordance with the procedures to be determined by the Board and at the expense of the Company, the Committee shall:
  - i. have the resources which are required to perform its duties;
  - ii. subject to the approval of the Board, obtain independent professional advice, service and/or expertise to perform its duties; and
  - iii. obtain the assistance of employee, Management or internal professional advice where necessary in carrying out its duties; and
  - vi. if required and necessary, be able to utilise independent sources (such as any available directors' registry, industry and professional associations, open advertisements or independent search firms) to identify suitable qualified candidates for directorship

The Committee shall make whatever recommendations to the Board it deemed appropriate on any area within its remit where action or improvement is needed. The Committee does not have the delegated authority from the Board to implement the recommendations but is obliged to report its recommendation to the Board of Directors for its consideration and approval.

## **FUNCTIONS**

7. The Committee shall discharge the following duties and responsibilities and report the same to the Board:
  - 7.1 Selection, Assessment, Training & Continuity
    - a. To assess and recommend to the Board, candidates for all directorships proposed or nominated by the Committee, or by the Managing Director and within bounds of practicability, by any other senior executive, or any Director or shareholder. In making the recommendations, the Committee shall assess and consider the following attributes or factors:-
      - i. skills, knowledge, expertise and experience;
      - ii. professionalism;
      - iii. commitment (including time commitment) to effectively discharge his/her role as Director;
      - iv. background, character, integrity and competence;
      - v. the ability to discharge the responsibilities/functions as are expected from an Independent Non-Executive Director in the case of a candidate nominated for such a position;
      - vi. boardroom diversity including gender diversity; and
      - vii. do not hold more than 5 directorship in listed issuer at any one time.
    - b. To nominate and recommend qualified or suitable Directors to be Audit and Risk Management Committee members and/or sit on any other Board Committees from time to time.

- c. To recommend to the Board whether Directors who are retiring by rotation in accordance with the Company's constitution, should be put forward for re-election at annual general meetings.
- d. To review the tenure of Independent Directors; and to assess and recommend to the Board if the Board intends to retain an Independent Director who has served a cumulative term of nine (9) years by seeking shareholders' approval at the annual general meetings.
- e. To conduct annual performance appraisal of the Board as a whole and contribution of each Director.
- f. To review and recommend to the Board on the appropriate structure, size, mix of skills and balance of the Board and that the board composition comply with the requirements of Bursa Malaysia Securities Berhad.
- h. To assess the independence of the Independent Directors annually.
- g. To assess the qualification of directors and other key officers to ensure that each of its Directors, Managing Director and/or Chief Financial Officer has the character, experience, integrity, competence and time to effectively discharge his/her respective roles as the case may be.
- i. To review annually the term of office of the Board Committees and evaluate the performance of such committees collectively as well as its members individually to determine whether the Board Committees and its members have carried out their duties in accordance with its Term of Reference.
- j. To ensure all the new Directors participate in the Directors' induction session and training programmes as stipulated by the Bursa Malaysia Securities Berhad Listing Requirements.
- k. To ensure an appropriate framework and plan for Board and management succession.

## 7.2 Remuneration

- a. To review the annual remuneration packages of each individual Director (both Executive and Non-Executive) such that the levels of remuneration are sufficient to attract and retain the Directors needed to run the Company successfully; and
- b. To recommend to the Board the remuneration of the Directors (both Executive and Non-Executive) in all its form are reflective of the contribution and performance of each individual Director. The level of remuneration should aligned with business strategy and long term objectives of the Company, the complexities of the Company's activities and reflects the experience and level of responsibilities undertaken by the Executive Directors.
- c. The determination of remuneration packages of the Directors should be a matter for the board as a whole where individual concerns shall abstained from discussion and decision of their own remuneration.
- d. Directors' fees and any benefits are subject to the approval of shareholders at Annual General Meeting.

### 7.3 Disclosures in Annual Report

To review the following statement or disclosure for inclusion in the Annual Report of the Company:

- a. the statement about the activities of the Committee in the discharge of its duties for the financial year:-
  - i. policy on board composition having regard to the mix of skills, independence and diversity required to meet the needs of the Company;
  - ii. the board nomination and election process and criteria used by the Committee in the selection process; and
  - iii. the performance assessment of the Board, its Committees and individual Directors together with the criteria used for such assessment including on how the requirement set out in the Listing Requirements of Bursa Malaysia pertaining to the qualification of directors and key officers.
- b. the statement on the training attended by the Directors.
- c. the disclosure pertaining to Directors' remuneration.

### 7.4 Self-Assessment and Terms of Reference

To review its own performance annually and report its findings to the Board; and from time to time to review and amend its Terms of Reference as required, subject to the approval of the Board.

8. To review and report such other matters as may be delegated by the Board from time to time.

## MEETINGS

9. Save as is otherwise provided, the Committee shall meet, adjourn or otherwise regulate its meetings and proceedings as it thinks fit:
  - 9.1 The Committee shall meet at least once a year or as and when there are matters referred to them for consideration or at any other time on requisition by any member of the Committee.
  - 9.2 The quorum of the meeting shall be two (2), including at least one independent director.
  - 9.3 In the absence of the Chairman or if he is unwilling to act, the members present shall elect one of the members who must be an independent director to chair the meeting.
  - 9.4 All resolutions or questions arising at any meeting shall be decided by a majority of vote of the members present, each member having one (1) vote. In the case of an equality of votes, the Chairman (of the meeting) shall be entitled to a casting vote in addition to the vote which he is entitled as a member.
  - 9.5 A meeting shall normally be conducted face-to-face to enable effective discussion, however, the Committee members may participate in a meeting by means of telephone conference, video conference or any other form of communications by means of which all persons

participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

10. Other Board members and employees shall attend Committee meetings only at the invitation of the Committee.
11. A resolution signed by all members of the Committee for the time being present in Malaysia shall be as effective as a resolution passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in the same form and each signed by one or more members of the Remuneration Committee.

#### **INTEREST OF THE COMMITTEE MEMBERS**

12. A Committee member should not participate or be involved in the deliberation or decision in the review of the member own re-election as a Director or continuation as an Independent Director beyond 9 years, or his/her remuneration.

#### **REPORTING PROCEDURES**

13. The Company Secretary shall be the Secretary of the Committee. The Secretary of the Committee shall give notice of the meeting including the agenda together with all relevant documents to all members of the Committee prior to the meeting. The draft minutes shall be circulated to the Committee for comment. Minutes of each meeting shall be kept and distributed to each member of the Committee and of the Board. Any persons who may be required to attend shall also be notified by the Secretary accordingly.