



Management Procedure	RANHILL BOARD OF DIRECTORS	Issue No.	04
Document Title	Board Charter - Appendix II: Nominating And Remuneration Committee: Terms Of Reference	Revision No.	03
ISO & OHSAS Element		Issue Date	February 2020
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NOMINATING AND REMUNERATION COMMITTEE: TERMS OF REFERENCE

The Nomination and Remuneration Committee (“**NRC**”) is a committee of the Board of Ranhill Holdings Berhad (“**the Company**”). The authority, functions, responsibilities and duties of NRC are extended to all subsidiary companies in the Group.

1.0	Primary Functions	<p>To assist the Board in:-</p> <ul style="list-style-type: none"> a) identifying, selecting and nominating new Directors and assessing the performance of the Board, Board Committees and their members; b) enabling the Group to attract, retain and motivate Board members (Executive and Non-Executive) and Senior Management that will create sustainable value for shareholders and other stakeholders; c) rewarding Board members and Senior Management (Executive Vice President and above) fairly and responsibly based on the performance of the Group, the performance of the individual and the external compensation environment; d) achieving its objective of ensuring the Company has a Board with effective composition, size and commitment to adequately discharge its responsibilities and duties; e) establishing a clear succession plan of the Board and Senior Management to ensure continuity in the strategic and tactical functioning of the Group; and f) ensuring an effective Director Induction and Training Programme is implemented and monitor compliance with established Policies and Procedures.
2.0	Composition	<ul style="list-style-type: none"> a) NRC shall consist of not fewer than 3 Board members, all of whom must be Non-Executive Directors, with a majority being Independent Directors; and b) Chairman of the NRC shall be an Independent Director.
3.0	Meetings	<p><u>Frequency</u></p> <p>NRC shall meet at least 2 times annually or more frequently as considered necessary by the Chairman of NRC.</p>



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		<p><u>Quorum</u></p> <p>a) Quorum for the meeting shall be 2 members; both of whom shall be Independent Directors including the Chairman. In the absence of the appointed Chairman, the members present shall elect another member who is an Independent Director as Chairman for the meeting from amongst the members present; and</p> <p>b) The Head of Group Human Capital (“GHC”) shall be a permanent invitee unless otherwise decided by the Chairman. The President and Chief Executive (“PCE”) shall normally be invited to attend the meetings. Other members of the Board, Senior Management and Heads of Divisions may be invited to the meetings where necessary.</p> <p><u>Conduct of meetings</u></p> <p>a) The notice and agenda of meetings shall be circulated at least 7 business days in advance of each meeting. The meeting agenda shall be the responsibility of the Chairman with input from the members;</p> <p>b) The meeting materials shall be dispatched to the members at least 5 business days in advance of each meeting in order to provide the members sufficient information and time to prepare for the meetings;</p> <p>c) All resolutions of the NRC shall be adopted by a simple majority vote. In case of a tie, the Chairman shall have a second or casting vote;</p> <p>d) The minutes of the meeting shall record the deliberations, decisions and agreed actions of the NRC. Copies of the draft minutes shall be distributed to NRC members within a week from the meeting and finalised within 3 weeks. Minutes of the meetings shall be duly entered in the minute books provided and circulated to members of the NRC and Board, Head of GHC and Senior Management members;</p> <p>e) A meeting shall normally be conducted in persons. However, meetings may also be conducted via teleconferencing or video conferencing as determined by the AC; and</p> <p>f) The Company Secretaries shall be appointed Secretaries of the NRC.</p>
4.0	Authority	<p>The NRC is authorised by the Board to:-</p> <p>a) review any matter within its terms of reference;</p>



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		<p>b) have full and unrestricted access to any information pertaining to the Group;</p> <p>c) have direct communication channels with all employees of the Group; and</p> <p>d) obtain independent professional or other advice, if required.</p>
5.0	Responsibilities	<p><u>Assessment and Appointment</u></p> <p>a) Identify candidates for any directorship of the Board and its committees to be filled, taking into consideration the candidates' skill, knowledge, expertise and 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 of Independent Non-executive Directors;</p> <p>b) Review annually:</p> <ul style="list-style-type: none"> • The required mix of skills, experience and competencies required of Board members including its structure, composition, diversity (in regards to age, cultural background and gender) and the optimum size of the Board and its committees to best serve the Group and its businesses and operations as a whole; and • The role and responsibilities of the Directors and assess the contributions of each individual Director and the effectiveness of the Group, as a whole. <p>c) Determine the required skills and criteria of the chief executive or a person occupying such position by whatever name called, identify and recommend such suitable candidate to fill the position should a vacancy arises;</p> <p>d) Conduct rigorous review to determine whether a director can continue to be independent in character and judgement, and also to take into account the need for progressive refreshing of the Board; and</p> <p>e) Establish a set of quantitative and qualitative performance criteria to evaluate the performance of each member of the Board, the Chief Executive Officer, Company Secretaries of Ranhill and the Group's key management personnel.</p>



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		<p><u>Retirement and Re-election</u></p> <p>Facilitate the re-election by shareholders of any Director under the “retirement by rotation” provisions in the Company’s Constitution (Articles of Association) having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required.</p> <p><u>Succession Planning</u></p> <p>Review plans for succession for the Executive Directors and for the Executive Vice Presidents (or such other persons whom the NRC view as critical positions in senior management) and any matters relating to the continuation in office of such person at any time including the suspension or termination of service as an employee or otherwise, subject to the provisions of the law and their service contract.</p> <p><u>Training and Development</u></p> <p>a) Identify and recommend suitable induction, educational and training programmes to continuously train and better equip the existing and new Directors in discharging their duties; and</p> <p>b) Review the human capital development (training) and management policies, including the terms and conditions of service of the Group and the incentive schemes for the employees of the Group.</p> <p><u>Remuneration and Benefit</u></p> <p>a) Review the overall Group policy and procedures on all elements of remuneration and benefits packages such as salary, reward structure, compensation package (in the event of early termination) and other related terms of employment of the executive directors and senior management, and review the on-going appropriateness and relevance of such remuneration policy;</p> <p>b) Review the remuneration package for non-executive directors and Board committees to be aligned to their responsibilities and contributions; and</p> <p>c) Ensure that the remuneration package is aligned with the business strategy and long term objectives of the Group.</p>
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		<p><u>Other Matters</u></p> <p>a) Review and approve statement on the NRC activities at the end of the financial year for disclosure in the Annual Report pursuant to the MMLR. The statement shall include:-</p> <ul style="list-style-type: none"> i. the policy on Board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet; ii. the Board nomination and election process of directors and criteria used by nominating committee in the selection process; and iii. the assessment undertaken by NRC in respect of its Board, committees and individual directors together with the criteria used for such assessment. <p>b) Review and approve the statement on the training attended by its directors that will be disclosed in the annual report pursuant to the Listing Requirements. The statement shall include the following information:</p> <ul style="list-style-type: none"> i. the Board has undertaken an assessment of training needs by each director; ii. a brief description on the type of training that the directors have attended for the financial year; and iii. in exception circumstances where any director has not attended any training during the financial year, valid justifications for non-attendance of such director.
6.0	Reporting	<p>The Chairman of NRC shall:</p> <ul style="list-style-type: none"> a) formally report to the Board on its proceedings, whereby the approved minutes of NRC meetings shall be tabled to the Board for notation; and b) attend the Annual General Meeting, prepared to respond to any question from the shareholders on the NRC's activities.
7.0	Performance	<p>The reviews on terms of office and performance of the NRC and each of its members shall be evaluated by Board on annual basis.</p>

End of Appendix II for NRC