



TPC PLUS BERHAD (615330-T)
(Incorporated in Malaysia)

**NOMINATION AND REMUNERATION
COMMITTEE CHARTER**

Approved by the Board of Directors on 28 November 2018

CONTENTS

	Page
1. INTRODUCTION	1
2. OBJECTIVE	2
3. COMPOSITION	2
4. FUNCTIONS AND RESPONSIBILITIES	
4.1 Nomination	2
4.2 Remuneration	3
5. MEETINGS	4
6. DISCLOSURE	6
7. REVIEW	6
8. REFERENCE	6

1. INTRODUCTION

- 1.1 This Nomination and Remuneration Committee Charter (“Charter”) sets out the requirements of the Board of Directors of TPC Plus Berhad for the establishment of the Nomination and Remuneration Committee, its terms of reference and the delegation of responsibilities to such committee as at the date hereof.
- 1.2 The Nomination and Remuneration Committee were established on 11 May 2004 through a Board of Directors’ Meeting No. 2/2004.
- 1.3 In this Charter, unless the context otherwise requires:
- 1.3.1 “**Board**” means the Board of Directors of the Company;
 - 1.3.2 “**Chairman**” means the Chairman of the Nominating and Remuneration Committee of the Company;
 - 1.3.3 “**Committee**” means Nominating and Remuneration Committee
 - 1.3.4 “**Company**” means TPC Plus Berhad
 - 1.3.5 “**Directors**” means the members of the Board;
 - 1.3.6 “**Individual**” means a natural person;
 - 1.3.7 “**Key Senior Officers**” means executive officers of the Company under the Senior Management and Top Management.
 - 1.3.8 “**Managing Director**” means an individual who is heading the Company and is responsible, subject to the authority of the Directors, for the conduct of business and the administration of the Company;
- 1.4 In view of the Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance by Securities Commission Malaysia, this Charter aims to ensure that the Committee complies with the relevant requirements.
- 1.5 This Charter shall be assessed and reviewed at least once annually and updated as necessary especially when there are changes to the Listing Requirements and Malaysian Code on Corporate Governance. Any change to the terms of reference shall be recommended to the Board for its approval.

2. OBJECTIVE

- 2.1 The primary objective of the Committee is to establish a documented, formal and transparent procedure for the appointment of Directors, Managing Director and Key Senior Officers and to assess the effectiveness of individual Directors, the Board of Directors and the various committees of the Board, the Managing Director and Key Senior Officers.

3. COMPOSITION

- 3.1 The Committee members shall be appointed by the Board from among their number and shall comprise not fewer than three (3) in number.
- 3.2 All members of the Committee shall be non-executive directors with a majority being independent Directors.
- 3.3 The members of the Committee shall elect a Chairman from among their number who is an Independent Director.
- 3.4 In order to avoid conflict of interest, a member of the Committee shall abstain from participating in discussion and decisions on matters directly involving him.
- 3.5 In the event a member of the Committee resigns, dies or for any other reason ceases to be a member resulting in the number of members reduced to below three (3), the Board shall within three (3) months of that event appoint such number of new members as may be necessary to make up the number of not fewer than three (3) members.

4. FUNCTIONS AND RESPONSIBILITIES

4.1 Nomination

- 4.1.1 To determine the core competencies and skills required of Directors to best serve the business and operations of the Group as a whole and the optimum size of the Board to reflect the desired skills and competencies.
- 4.1.2 To review the size of Non-Executive Directors, Board balance and determine if additional Directors are required and also to ensure that at least half (1/2) of the Board is independent.
- 4.1.3 To recommend to the Board on the appropriate number of Directors to comprise the Board which should fairly reflect the investments of the minority shareholders in the Company and whether the current Board represent satisfies this requirement.

- 4.1.4 To consider, in making its recommendations to the Board, candidates for directorship proposed by the Chairman, Director, shareholder or any other Key Senior Officers.
- 4.1.5 To recommend to the Board, Directors or Key Senior Officers of the Company to fill the seats on Board Committees.
- 4.1.6 To undertake a review of the required mix of skills, experience and other qualities of Directors which Non-Executive Directors should bring to the Board as well as independence and diversity of the Board composition (gender, ethnicity and age of group) which is required to meet the needs of the Company.
- 4.1.7 To assist the Board in implementing a procedure to be carried out by the Committee to assess the effectiveness of the Board as a whole, the Committees of the Board and to assess the contributions and performance of the individual Directors and Board Committee members.
- 4.1.8 To review the Board's succession plans and training programmes for Directors.
- 4.1.9 To introduce any policy or guidelines which would enable the smooth administration and effective discharge of the Committee's duties and responsibilities.
- 4.1.10 To recommend to the Board on removal of a Director or Managing Director if they are ineffective, errant or negligent in discharging their responsibilities.
- 4.1.11 To approve the confirmation of appointments and extensions of the probationary period for Key Senior Officers.
- 4.1.12 To approve the appointment of Key Senior Officers and to oversee the management succession planning and performance evaluation of Key Senior Officers, and recommending to the Board the removal of Key Senior Officers if they are ineffective, errant and negligent in discharging their responsibilities.
- 4.1.13 To approve the renewal and termination of Service Contract of Key Senior Officers.
- 4.1.14 To assist the Board in ensuring that the Risk Management Working Group retain an appropriate structure and balance of skills to support the strategic objectives of the Company.

4.2 Remuneration

- 4.2.1 To review and recommend to the Board for approval policies and procedures to determine the remuneration of the Directors, Board Committee Members, Company Secretary and Key Senior Officers taking into account their merits, qualifications and competences and also the demands, complexities and performance of the Company.

- 4.2.2 Ensure that the base salary element of Executive Directors is competitive but fair and that fair differential between the remuneration of Executive Directors and other levels of management is maintained.
- 4.2.3 Conduct continued assessment of individual Executive Directors to ensure the remuneration is directly related to corporate and individual performance.
- 4.2.4 Obtain the advice and information from external source, if necessary, to assist and/or advise the Committee on remuneration matters and to compare the remuneration currently earned by the Executive Directors and those paid to Executive Directors of other companies of a similar size in a comparable industry sector.
- 4.2.5 To introduce any policy or guidelines which would enable the smooth administration and effective discharge of the Committee's duties and responsibilities.
- 4.2.6 To furnish a report to the Board of any findings of the Committee.

5. MEETINGS

- 5.1 The Company Secretary shall be the Secretary of the Committee and shall have the following key responsibilities:
 - 5.1.1 Ensure meetings are arranged and held accordingly.
 - 5.1.2 Assist the Chairman in planning the Committee's activities.
 - 5.1.3 Draw up meeting agendas in consolidation with the Chairman and the Head of Human Resources; maintain minutes and draft its scheduled activities for the financial year.
 - 5.1.4 Ensure structured communication between the Board and the Committee.
 - 5.1.5 Ensure proceedings of meetings are recorded and the minutes circulated to and confirmed by the Committee Chairman before disseminating them to the Board.
 - 5.1.6 Ensure Committee recommendations presented to the Board are supported by papers including minutes that explain the rationale for the Committee's recommendations.
- 5.2 Frequency and attendance
 - 5.2.1 The Committee shall meet at least once a year. However, additional meetings may be called at any time at the Committee Chairman's discretion.

- 5.2.2 The Chairman, in consultation with the Secretary, shall determine the frequency of the meeting and discuss the schedule of meetings with all members concerned.
- 5.2.3 The Managing Director, other members of the Board, Head of Human Resources or Key Senior Officers may attend meetings upon the invitation of the Committee.
- 5.2.4 The Committee may request certain parties to withdraw from any part of the meeting.
- 5.2.5 The Committee may invite any relevant parties from the Company's holding company to attend its meetings.

5.3 Notice and Agenda

- 5.3.1 Proper notice shall be issued for any Committee meeting and the Chairman shall ensure that the proper agenda is prepared for the meeting.
- 5.3.2 The agenda and relevant papers for the Committee meeting must be issued at least a week in advance of each meeting.

5.4 Quorum and Votes

- 5.4.1 The quorum shall consist of two (2) members with the majority of members present being independent Directors.
- 5.4.2 In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.
- 5.4.3 Questions arising at any meeting of the Committee shall be decided by a majority of votes. In case of equality of votes, the Chairman of the meeting shall have a second or casting vote.
- 5.4.4 Directors who are shareholders should abstain from voting at general meetings to approve their fees. Similarly, Executive Directors should not be involved in deciding their own remuneration.

5.5 Minutes and Resolution

- 5.5.1 Discussions and conclusions of the Committee meetings should be minuted and the minutes should be entered into the Minutes Book kept by the Secretary.
- 5.5.2 Reproduction of any part of the minutes can be only through/by the Secretary.
- 5.5.3 A resolution in writing signed by all the Committee members shall be valid and effectual as if it had been passed by a meeting of the Committee duly called and constituted.

6. DISCLOSURE

- 6.1 A statement on the activities of the Committee should be disclosed in the Company's annual report and contain the following information:
- 6.1.1 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 Company;
 - 6.1.2 the Board nomination and election process of Directors and criteria used by the Committee in the selection process; and
 - 6.1.3 the assessment undertaken by the Committee in respect of its Board, Committees and individual Directors together with the criteria used for such assessment.

7. REVIEW

- 7.1 The Board shall review the term of office and performance of the Committee and each of its members every year to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

8. REFERENCE

- 8.1 Reference materials are as follows:
- 8.1.1 Listing Requirements of Bursa Malaysia Securities Berhad; and
 - 8.1.2 Malaysian Code on Corporate Governance by Securities Commission Malaysia.