



MSM MALAYSIA HOLDINGS BERHAD
Nomination and Remuneration
Committee
Terms of Reference

Chairman, MSM Board of Directors

Approved By : MSM Board of Directors

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1.0 INTRODUCTION

- 1.1. This Nomination and Remuneration Committee's Terms of Reference ("TOR" or the "Terms of Reference") sets out the requirements of the Board of Directors of MSM Malaysia Holdings Berhad towards the establishment of a Nomination and Remuneration Committee, and the delegation of responsibilities to such a Committee, as at the date hereof.
- 1.2. Unless otherwise stated, in this Terms of Reference, the following applies:
 - 1.2.1. "FGV" refers to "FGV Holdings Berhad";
 - 1.2.2. "the Company" or "MSM" refers to MSM Malaysia Holdings Berhad;
 - 1.2.3. "MSM Group" or "the Group" refers to MSM Malaysia Holdings Berhad and its Group of Companies¹;
 - 1.2.4. "the Board" refers to the Board of Directors of MSM; and
 - 1.2.5. "NRC" or the "Committee" refers to the Nomination and Remuneration Committee of MSM;
 - 1.2.6. "Top Management" refers to the Executive Director, Group Chief Executive Officer ("Group CEO")/Acting Chief Executive Officer and Chief Financial Officer of MSM;
 - 1.2.7. "Senior Management" refers to all C-suite positions of MSM and subsidiaries level; and
 - 1.2.8. "Group Chief Internal Auditor" refers to FGV's Group Chief Internal Auditor.
- 1.3. In view of the mandatory nature of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (the "Listing Requirements"), the Terms of Reference aims to guide MSM's NRC with respect to its delegated responsibilities to assist the Board in fulfilling the Board's statutory and fiduciary responsibilities in relation to nomination and remuneration matters. In addition, the Terms of Reference also recognizes and aims to adopt related better practices and guidance from the following documents:
 - 1.3.1. The Malaysian Code on Corporate Governance 2017 ("MCCG 2017"), which provides Principles, Intended Outcome, Practices and Guidance to Promote Greater Internalisation of Corporate Governance Culture; and
 - 1.3.2. The Corporate Governance Guide –Moving from Aspiration to Actualisation, 3rd Edition on ("the Guide") issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") in 2017, seeks to enrich the application and actualisation of corporate governance practices by providing practical guidance to listed issuers and cultivate listed issuers appreciation on the drivers of sound corporate governance.

¹ MSM Group refers to include MSM's operating Subsidiaries, Associates and Jointly-Controlled Entities in which MSM holds a controlling interest, as established under the corporate structure of MSM.


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2.0 PURPOSE

- 2.1. This Committee's TOR is established pursuant to the Listing Requirements and approved by the Board. Paragraph 15.08A(2)
Listing Requirements
- 2.2. The purpose of the Committee, set up under the Listing Requirements, is to assist the Board in fulfilling its roles and responsibilities in regards to the following: Practice 6.2,
MCCG 2017
- 2.2.1. Composition of the Board, the Board Committees, the directorship in the Group and the Top Management and Senior Management;
 - 2.2.2. Nomination and election process and appointment and reappointment/re-election processes;
 - 2.2.3. Contribution and commitment of Directors;
 - 2.2.4. Letter of appointment;
 - 2.2.5. Induction and continuing education program;
 - 2.2.6. Board Assessment;
 - 2.2.7. Succession Planning;
 - 2.2.8. Remuneration matters (Remuneration Policy);
 - 2.2.9. Remuneration of the Executive Directors;
 - 2.2.10. Remuneration of Non-Executive Directors;
 - 2.2.11. Remuneration of the Top Management and Senior Management; and
 - 2.2.12. Other general remuneration across the MSM Group.
- 2.3. The existence of the Committee does not diminish the Board's ultimate statutory and fiduciary responsibility for decision making relation to the functions and duties of the Committee.

3.0 MEMBERSHIP

- 3.1. The Committee membership and the Chairman of the Committee shall be appointed by the Board of MSM and shall comprise of not less than three (3) members, whom shall be appointed from amongst the Directors of MSM Board.

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- 3.2. All the members of the Committee must be Non-Executive Directors and a majority of whom must be independent Directors free from any business or other relationship that, in the opinion of the Board would materially interfere with the exercise of his/her independent judgment as a member of the Committee.

Paragraph 15.08A(1),
Listing Requirements

Practice 6.2,
MCCG 2017

- 3.3. No Alternate Director shall be appointed as a member of the Committee.

- 3.4. Quorum

- 3.4.1. In order to form a quorum for the Committee meeting, at least two (2) of the committee members must be present at the meeting, with majority of Independent Non-Executive Directors.

- 3.4.2. The Chairman of the Committee must be present at all of the Committee meetings.

4.0 CHAIRMAN OF THE COMMITTEE

- 4.1. The Chairman of the Committee must be an Independent Non-Executive Director, and where a Senior Independent Non-Executive Director position exists, the Senior Independent Non-Executive Director shall assume the position of Chairman of the Committee.

Practice 4.7,
MCCG 2017

5.0 SECRETARY OF THE COMMITTEE

- 5.1. The MSM Company Secretary shall be the Secretary of the Committee.

- 5.2. The Secretary of the Committee shall be present to record proceedings of the Committee meetings.


- 5.3. The Secretary of the Committee shall have the following responsibilities:

- 5.3.1. Ensure the Committee meetings are arranged and held accordingly;

- 5.3.2. Assist the Chairman of the Committee in planning the Committee's activities for the financial year;

- 5.3.3. Draw up meeting agenda in consultation with the Chairman of the Committee and circulate the agenda together with the relevant papers, at least five (5) business days prior to each of the Committee meeting;

- 5.3.4. Ensure structured communication between the Board and the Committee;

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- 5.3.5. Ensure proceedings of meetings are minuted and endorsed by the Chairman of the Committee before disseminating them to all Board members; and
- 5.3.6. Ensuring the Committee's recommendations presented to the Board are supported by explanatory papers, including report of the Committee or minutes that explains the rationale of the Committee's recommendations.

6.0 AUTHORITY


- 6.1. The Board authorises the Committee, within the scope of its duties and responsibilities set out in this TOR :
 - 6.1.1. Perform the activities required to discharge its responsibilities within its Terms of Reference and make relevant recommendations to the Board;
 - 6.1.2. Acquire the resources which are required to perform its duties;
 - 6.1.3. Have full and unrestricted access to the records, properties and personnel in the Group to obtain information pertaining to the Group relevant for its purpose;
 - 6.1.4. Obtain independent professional advice, as deemed necessary, to assist the Committee or any individual member of the Committee in the proper discharge of its roles, responsibilities and duties, at the expense of the Company and in accordance with the authority delegated to the Committee; and
 - 6.1.5. Meet exclusively among itself, whenever deemed necessary.

7.0 RESPONSIBILITIES AND DUTIES

- 7.1. The Committee's responsibilities shall include, but are not limited to, the following:

A. Board Nomination and Election Process

- 7.1.1. Composition of the Board, the Board Committees, and all directorship in the Group:
 - a. Review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, the Board Committees and all directorship in the Group with a view in determining the impact of the number of

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Directors upon the Board's, the Board Committee's and Group's effectiveness and recommend to the Board on any improvements to be made;

- b. Review, enhance and recommend to the Board the policies on Boards composition in the MSM Board Nomination and Election Policy and Procedures, having regard to the mix 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; and
- c. Review, enhance and recommend to the Board the Policy on Conflict of Interest and on Independence of the Independent Directors as prescribed in the MSM Board Nomination and Election Policy and Procedures.

Practice 4.4,
MCCG 2017

Paragraph 15.08A(3)
Listing Requirements

7.1.2. Employment Contracts

- a. Review and recommend to the Board the appointment of any Executive Directors/Top Management/Senior Management;
- b. Review and recommend the extension of contracts of the Executive Directors/Top Management/Senior Management; and
- c. Review and recommend to the Board any matters relating to the continuation in office including the suspension or termination of services of the Executive Directors/Top Management/Senior Management subject to the provision of the laws and their service contract.

Paragraph 2.20A,
Listing Requirements

7.1.3. Appointment/re-appointment/re-election process and its criteria:

- a. Develop, maintain and keep under review the criteria to be used in the appointment/recruitment process of the Board, the Board Committees, all directorship in the Group and recommend to the Board for its approval (for MSM Board, the criteria are as prescribed in the MSM Board Nomination and Election Policy and Procedures);
- b. Recommend to the Board for its approval the criteria for identifying a Senior Independent Non-Executive Director;
- c. Recommend to the Board for its approval, candidates for the Board, the Senior Independent Non-Executive Director, members of the Board Committees, including the Chairman of the Board Committees and all directorships in

Paragraph 2.20A &
15.08,
Listing Requirements

Practice 4.4, MCCG 2017



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the Group. In making the recommendations, the Committee shall also consider candidates proposed by the Chairman of the Committee and, within the bounds of practicality, by any Director or shareholder. The Committee shall also consider the prospective Director's character, experience, competence, integrity and time commitment, as prescribed by Paragraph 2.20A of the Listing Requirements, MSM Board Nomination and Election Policy and Procedures, as well as the following factors:

- i. Skills, knowledge and expertise;
- 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;
- v. In the case of candidates for the position of Independent Director, the Committee shall also evaluate the candidate's ability to discharge such responsibilities/functions as are expected from Independent Directors.
- vi. Prior to the appointment, the prospective Director shall be required to disclose any other business interest that may result in a conflict of interest;
- vii. Review the re-appointment/re-election/retirement process of MSM 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; and
- viii. Make recommendations to the Board for its approval on the re- appointment/re-election/retirement of the Directors.

7.1.4. Contribution and commitment of Directors

- a. Set out and communicate the expectations of Directors regarding the level of contribution and time commitment expected of them, and obtain this commitment in writing including an indication of time that shall be spent on an appointment, from the Directors.

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7.1.5. Letter of appointment

- a. Ensure that all Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of their roles and responsibilities as well as time commitment expected, together with relevant Board and Company related (e.g. the Board Charter, the Board Committee's TORs, the Code of Ethics & Conduct and the Code of Business Practice)

7.1.6. Induction and continuing education programmes

- a. Recommend to the Board and facilitate appropriate induction programmes for new Directors which include the following:
 - i. time with other Directors to enable further insights and knowledge of the Company, in particular the Chairman and the MSM Company Secretary;
 - ii. visits to key operational sites within the Group; and
 - iii. a formal one (1) to two (2) day(s) induction programme, including the elements above, and also presentations by key management personnel.
- b. Recommend to the Board and facilitate appropriate education programmes for newly appointed Directors and existing Directors; and
- c. Evaluate and conduct Training Needs Analysis (TNA) for each Director based on the findings of the Board Assessment and ensure that their training needs are met and that they are kept abreast of all regulatory changes and developments in the business environment.

Paragraph 15.08A(2),
Listing Requirements

7.1.7. Board Assessment

- a. Ensure that prior to new Board appointments, a full assessment on the candidates is undertaken based on MSM Board Nomination and Election Policy and Procedures to assess the necessary and desirable core competencies of Directors so that an appropriate balance of skills, experience, expertise and diversity is maintained and that the Board is able to discharge its responsibilities effectively;

Paragraph 15.08A(3)(c),
Listing Requirements

Practice 4.4,
MCCG 2017



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- b. Develop, maintain and review the criteria and process to be used in the assessment of the Board as a whole, the Board Committees and the individual directors;
- c. 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, including the Group CEO and maintain proper documentation of such assessment;
- d. Assess the findings of the Board Assessment and devise the appropriate action plans to be taken to address any gaps identified from the Board Assessment process and table to the Board for its review and approval;
- e. Develop, maintain and keep under review the criteria to assess independence pursuant to the Listing Requirements and recommend to the Board for its approval;
- f. Review, on an annual basis, the independence of Independent Directors, at a minimum, with reference to the definition of "Independent Director" as stipulated by Paragraph 1.01 of the Listing Requirements and MSM Board Nomination and Election Policy and Procedures and recommend to the Board for continuation of office. The term of any Independent Directors in MSM Board shall not exceed three (3) years. Upon completion of three (3) years tenure, such Independent Director shall cease to be a Director, but may still be eligible for re-appointment to a maximum of nine (9) years. After a cumulative term of nine (9) years, an Independent Director shall cease to be a Director of the Company. Notwithstanding the above, the Independent Directors shall be subjected to the annual assessment on independence, as part of the Board Assessment.
- g. Review the term of office and performance of MSM Audit Committee and each of its members annually to determine whether MSM Audit Committee and its members have carried out their duties in accordance with MSM Audit Committee Term of Reference.

Practice 5.1,
MCCG 2017


Practice 4.3 & 5.1,
MCCG 2017

Paragraph 15.20,
Listing Requirements

7.1.8. Succession Planning

- a. Review and oversee the development of a succession planning framework for the Board members (including positions in Board Committees), the Group CEO, and the Top Management and Senior Management.

Practice 1.1,
MCCG 2017

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B. Board Remuneration Matters

7.1.9. Policies related to remuneration

- a. Develop a remuneration framework taking into consideration the best practices, views of industry experts, obtaining and analysing the available data, stakeholders and the market at large;
- b. 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 (hereinafter referred to as the "MSM Board Remunerations Policy") and ensure the remuneration level is sufficient to attract, retain and motivate high calibre individuals with the required qualification, skills, talent and experience in the Board and Board Committees. This review shall be facilitated by the MSM Company Secretary, MSM Head of Corporate Governance & Risk Management Department, MSM Head of Human Resource Department and MSM Chief Financial Officer;
- c. Assess the effectiveness and relevance of MSM Board Remunerations Policy and human resource policies on employees' remuneration as and when the need arises. In particular, the Committee must be satisfied that:
 - i. all applicable provisions regarding remuneration and its disclosure as set out in relevant laws and regulations are appropriately reflected in MSM Board Remunerations Policy and human resource policies on employees' remuneration;
 - ii. MSM Board Remunerations Policy and human resource policies on employees' remuneration are fair and equitable and encourage behaviour that supports MSM's long-term financial soundness, growth and success within an appropriate risk management framework;
 - iii. MSM Board Remunerations Policy and human resource policies on employees' remuneration demonstrates a clear relationship between individual performance and remuneration; and

Practice 6.1,
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Practice 6.2,
MCCG 2017

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- iv. The human resource policies on employees' remuneration, where appropriate, specifies an appropriate mix of remuneration, - supporting the short-term and long-term performance objectives in relation to MSM's strategies;
- d. Consider the use of combination of remuneration types, e.g. Director's fees, allowances, performance share plans, long-term and short-term performance incentives, benefits-in-kind;
- e. Design, formulate and recommend to the Board for its approval, and maintain under review, the remuneration packages for the Executive Directors including annual salary increment, bonuses, promotions, salary adjustments and promotion adjustments and ensure the remuneration level is sufficient to attract, retain and motivate high calibre individuals with the required qualification, skills, talent and experience; and
- f. As and when the need arises, review and link the remuneration of Directors and the Group CEO especially performance-based remuneration, to the individual's performance and contribution to the Group.

7.1.10. Remuneration of the Executive Directors

- a. Review and recommend to the Board, on an annual basis, the contractual and remuneration arrangements for the Executive Directors having regard to the MSM Board Nomination and Election Policy and Procedures, including:
 - i. fixed remuneration on levels and benefits;
 - ii. short term incentives and long term incentives remuneration targets and outcomes (including performance targets);
 - iii. any separation and/or termination payments to be made;
 - iv. retention and sign-on rewards
 - v. the development of any equity based plan for the Executive Directors; and
 - vi. any other forms of remuneration including allowances and any benefit payable to the Executive Directors including any compensation for loss of employment.



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- b. Determine and agree with the Board an appropriate performance framework, endorse its application in setting performance targets for the remuneration of the Executive Directors;
- c. In formulating remuneration levels, the Committee must consider the assessment on the performance of the Executive Directors against such targets as well as benchmarking to market rate for benefits-in-kind, annual increments and bonus; and
- d. The Head of Human Resource shall assist the Committee to formulate the remuneration levels of the Executive Directors and conduct appropriate benchmarking to market rate prior to determining any benefits payable to the Executive Directors including any compensation for loss of employment, annual salary increments, bonuses, promotions, salary adjustments and promotion adjustments.

7.1.11. Remuneration of the Non-Executive Directors ("NEDs")

- a. Remuneration of NEDs is made up of directors' fees, allowances and any benefits payable to the NEDs;
- b. The level of remuneration for the NEDs must reflect the experience and level of responsibilities undertaken by the NEDs concerned;
- c. The remuneration of NEDs shall not be based on commission, the percentage of profits, or turnover and it shall also not include commission based on the percentage of turnover;
- d. Fees payable to NEDs should not be increased except in pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and
- e. The determination of NEDs' remuneration is decided by the Board, as a whole, with individual Directors abstaining from discussion of his/her own remuneration.

Paragraph 7.23,
Listing Requirements

Paragraph 7.24,
Listing Requirements

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7.1.12. Remuneration of the Top Management and Senior Management


- a. Review and recommend to the Board, on an annual basis, the individual remuneration levels and remuneration arrangements for the Top Management and Senior Management having regard to the human resource policies on employees' remuneration, including:
 - i. fixed remuneration on levels and benefits;
 - ii. Short-term incentives and long-term incentives remuneration targets and outcomes (including performance targets);
 - iii. any termination/separation payments to be made;
 - iv. retention and sign-on rewards;
 - v. all incentive awards to be made to each individual; and
 - vi. any other forms of remuneration including allowances and any other applicable benefits-in-kind.
- b. The Head of Human Resources shall assist the Committee to formulate the remuneration levels of the Top Management and Senior Management and conduct appropriate benchmarking to market parity data for competitive positioning, prior to determining the benefits, annual salary increment, bonuses, promotions, salary adjustments and promotion adjustments.

7.1.13. Consider any other matters referred to the Committee by the Board

C. Top Management and Senior Management –selection, hiring and selection process

7.1.14. Composition of the Top Management and Senior Management in the Group:

- a. Review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Top Management and Senior Management.

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7.1.15. Employment Contracts

- a. Review and recommend to the Board the appointment of the Top Management and Senior Management within the Group; Paragraph 2.20A,
Listing Requirements
- b. Review and recommend to the Board any changes in the position of the Top Management and Senior Management;
- c. Review and recommend to the Board the extension contracts of the Group CEO, the Top Management and Senior Management any other person the Board determines; and
- d. Review and recommend to the Board any matters arising relating to the continuation in office including the suspension or termination of service of the Group CEO, the Top Management and Senior Management any other person the Board determines subject to the provision to the law and their service contracts.

7.1.16. Sourcing and selection process and its criteria:

- a. Develop, maintain and keep under review the criteria to be used in the sourcing and selection process of the Group CEO, MSM Chief Financial Officer and "C-suite positions" and recommend to the Board for its approval; Paragraph 2.20A & 15.08,
Listing Requirements
- b. Recommend to the Board for its approval, candidates for the Group CEO, MSM Chief Financial Officer and "C-Suites" position taking into account the skills, knowledge, experience and diversity of the Top Management and Senior Management. Practice 4.4,
MCCG 2017

7.1.17. Succession Planning

- a. Review and oversee the development of a succession planning framework for the Group CEO and the Top Management and Senior Management. Paragraph 1.1,
MCCG 2017

D. Top Management and Senior Management Remuneration Matters

7.1.18. Policies related to remuneration:

- a. Review the Company's remuneration strategy and framework taking into consideration the analysis of data from market benchmarking which include best practices, salary and benefits benchmarking survey and/or reports from recruitment agencies; Paragraph 6.1,
MCCG 2017



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- b. Review and recommend to the Board for its approval, and maintain under review, the remuneration packages for the Top Management and Senior Management and ensure its remuneration level is sufficient to attract, retain and motivate high calibre individual with the required qualification, skills, talent and experience in the Top Management and Senior Management. This review shall be facilitated by Head of Human Resources;
- c. Consider the use of combination of remuneration types, e.g. performance share plans, long-term and short-term performance incentives, benefits-in-kind;
- d. Design, formulate and recommend to the Board for its approval, and maintain under review, the remuneration packages for the Group CEO and the Top Management and Senior Management including annual salary increment, bonuses, promotions, salary adjustments and promotion adjustments and ensure the remuneration level is sufficient to attract, retain and motivate high calibre individuals with the required qualification, skills, talent and experience;
- e. As and when the need arises, review and link the remuneration of the Group CEO and the Top Management and Senior Management especially performance-based remuneration, to the individual's performance and contribution to the Group.


Paragraph 6.2,
MCCG 2017

7.1.19. Remuneration of the Group CEO

- a. Review and recommend to the Board, on an annual basis, the individual remuneration levels and remuneration arrangements for the Group CEO having regard to the human resource policies on employees' remuneration, including:
 - i. fixed remuneration on levels and benefits;
 - ii. Short-term incentives and long-term incentives remuneration targets and outcomes (including performance targets);
 - iii. any termination/separation payments to be made;
 - iv. retention and sign-on rewards;
 - v. The development of any equity based plan for the Group CEO; and

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- vi. Any other forms of remuneration including allowances and any benefit payable to the Group CEO including any separation/compensation for loss of employment.
 - b. Determine and agree with the Board an appropriate performance framework, endorse its application in setting performance targets for the remuneration of the Group CEO;
 - c. In formulating remuneration levels, the Committee must consider the assessment on the performance of the Group CEO against such targets as well as benchmarking to market rate for benefits-in-kind, annual increments and bonus; and
 - d. The Head of Human Resources shall assist the Committee to formulate the remuneration levels of the Group CEO and conduct appropriate salary and benefits benchmarking e prior to determining any benefits payable to the Group President/CEO including any compensation for separation/loss of employment, annual salary increments, bonuses, promotions, salary adjustments and promotion adjustments
- 7.1.20. Remuneration of the Top Management and Senior Management
- a. Review and recommend to the Board, on an annual basis, the individual remuneration arrangements for the Top Management and Senior Management having regard to the human resources policies on employees' remuneration, including:
 - i. Fixed remuneration levels and benefits;
 - ii. Short term incentives and long term incentives remuneration targets and outcomes (including performance targets);
 - iii. Any termination/separation payments to be made;
 - iv. Retention and sign-on rewards;
 - v. All incentive awards to be made to each individual; and

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vi. Any other forms of remuneration including allowances and any other applicable benefits-in-kind.

b. The Head of Group Human Resources shall assist the Committee to formulate the remuneration levels of the Top Management and Senior Management and conduct appropriate salary and benefits benchmarking prior to determining the benefits, annual salary increments, bonuses, promotions, salary adjustments and promotion adjustments.

7.1.21. Consider any other matters referred to the Committee by the Board.

E. Other Responsibilities and Duties

7.1.22. To review the Nomination and Remuneration Committee Report for the inclusion in the Company's Annual Integrated Report and recommend to the Board for approval.

7.1.23. To review and recommend any policies relating to human resource, MSM Board Remuneration Policy and MSM Board Nomination and Election Policy and Procedures and endorse for the Board's approval.

7.1.24. To review and recommend to the Board on any changes to the Group's Corporate organisation structure for approval and shall take into account the Group's equity structure and the impact to the statutory financial reporting.


8.0 REPORTING

8.1. The Committee shall report to the Board on matters considered and its recommendation thereon, pertaining to the Group through:

8.1.1. Copies of minutes of each meeting of the Committee supported by explanatory papers and being circulated to all Board members once endorsed by the Chairman of the Committee; and

8.1.2. The Chairman of the Committee drawing to the Board's attention any matter of major importance.

8.2. At the discretion of the Chairman of the Committee and members of the Committee, any relevant matters deemed to be of major importance shall be referred to the Board for its attention.

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- 8.3. Pursuant to the Listing Requirements the Committee shall be responsible in ensuring that the Company discloses in its Annual Report a statement on the activities of the Committee in the discharge of its duties for the financial year. Such statement shall include:

Paragraph 15.08A(3),
Listing Requirements

Practice 11.2,
MCCG 2017

- 8.3.1. the Policy on Board Composition on having regard to the mix of skills, independence and diversity (including gender, ethnicity and age) required to meet the needs of MSM;
- 8.3.2. the board nomination and election process of Directors and criteria used by the Committee in the selection process; and
- 8.3.3. the assessment undertaken by the Committee in respect of its Board, Board Committees and individual Directors together with the criteria used for such assessment and the trainings attended by the Directors for the financial year.

- 8.4. The Committee shall be responsible in ensuring that the Company discloses in its Annual Report the Director's remuneration in accordance with relevant provisions from the Listing Requirements.

- 8.5. The Committee shall review any report or statement as required by law or regulations or requested by the Board, including relevant sections of the annual report and other shareholder/stakeholder communication documents, in relation to nomination and remuneration matters.

9.0 MEETINGS ADMINISTRATION

9.1. Frequency and attendance

- 9.1.1. The Committee meetings shall be conducted at least three (3) times annually, or more frequently as circumstances dictate.
- 9.1.2. The Chairman of the Committee in consultation with the Secretary of the Committee, shall determine the frequency of the Committee meeting and discuss the schedule of meetings with the members of the Committee.
- 9.1.3. In addition to the regular scheduled meeting, the Chairman of the Committee shall call a meeting of the Committee if so requested by any member of the Committee or by the Chairman of the Board.
- 9.1.4. Resolution of the members of the Committee at a meeting or adjourned meeting of the Committee shall be adopted by a majority of votes of all members present. In the event matters requiring the Committee's decision arise between meetings, such matters shall be resolved through Circular Resolution which shall be supported by relevant papers setting out details



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of the subject matters. The members of the Committee may obtain more information from Management and express their view points by facsimile, electronic mail or any other means of telecommunication before arriving at a decision on the subject matter. All such resolutions shall be signed by all the members of the Committee and shall be submitted for confirmation at a meeting of the Committee following the passing of the Circular Resolutions.

- 9.1.5. The Committee meeting shall normally be conducted in a face-to-face manner to enable effective discussion. Nevertheless, if a member of the Committee is unable to be physically present, the member may choose to participate via video-conferencing or tele-conferencing, or other appropriate means as determined by the Committee.
- 9.1.6. The Group CEO, the MSM Head of Human Resource and the MSM Chief Financial Officer may attend the meetings upon invitation of the Committee. Participation from the Group CEO, MSM Head of Human Resource or MSM Chief Financial Officer may not be required for the full duration of the meeting.
- 9.1.7. In addition to the members of the Committee, other Directors of the Board, other executives of the Group, and/or any party which the Committee deems necessary may attend the Committee meetings upon invitation of the Committee. Participation of invitees may not be required for the full duration of the Committee meeting.
- 9.1.8. Other executives of the Group and/or external parties may be invited to attend the Committee meeting as the Chairman of the Committee and members of the Committee deem fit.
- 9.1.9. Any of the Committee member or invited participant must not be physically present in the Committee meeting during the discussion where his/her own remuneration is being discussed or deliberated.
- 9.1.10. Any of the Committee member or invited participant with conflicting interest shall abstain from the said discussion and must not be physically present during the discussion. A Committee member shall abstain and excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation(s) for him/her, including matters regarding related party transactions. The conflicted members shall not be included in the voting process.
- 9.1.11. The Chairman of the Committee shall exercise the right to request those who are in attendance to leave the room if

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matters discussed are confidential or may be impaired due to the presence of individuals concerned.

- 9.1.12. The Group Chief Human Resource of FGV may attend the NRC meeting upon invitation of the Committee.

9.2. Notice and agenda

- 9.2.1. Proper notice shall be issued for any of the Committee meeting and the Chairman of the Committee shall ensure that proper agenda is prepared for the Committee meeting.

- 9.2.2. The agenda and relevant papers for the Committee meeting must be issued at least five (5) business days prior to each of the Committee meeting.

Paragraph 1.5,
MCCG 2017

9.3. Minutes of the meeting

- 9.3.1. The discussion and conclusions of the Committee meetings shall be minuted, in a clear, accurate (reflect the deliberations and decisions), consistent, complete and timely manner;

Paragraph 1.5,
MCCG 2017

- 9.3.2. The minutes shall be entered into the minutes Register kept by the MSM Company Secretary together with attendance sheet;

- 9.3.3. Keeping of the minutes must comply with the requirements of the relevant laws and regulations, e.g. Companies Act, 2016 and Income Tax Act 1967; and

- 9.3.4. Reproduction of any part of the minutes can only be performed through/by the MSM Company Secretary.


10.0 COMMITTEE'S PERFORMANCE

- 10.1. On an annual basis, the Board shall evaluate annually the Committee's performance and extent to which the Committee has met the requirements of its Terms of Reference. This performance assessment may constitute a part of the annual Board Effectiveness Assessment, pertaining to the assessment of Board Committees.

Paragraph
15.08A(3)(c), Listing
Requirements
Practice 5.1, MCCG
2017

11.0 COMMITTEE'S ETHICS AND PROCEDURES

- 11.1. All members of the Committee shall safeguard all internal communications and treat them as strictly private and confidential, and for the use of the Committee members only.

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- 11.2. The Committee may be required to check and consult selected third party source on a confidential basis before making its final recommendation.
- 11.3. The Committee shall work diligently amongst the members of the Board and adhere to all applicable laws and regulations as well as the prescriptions rendered in the Directors' Code of Ethics & Conduct and the Code of Business Practice.

12.0 REVIEW OF TERMS OF REFERENCE

- 12.1. The Committee's Terms of Reference and work plans shall be reviewed periodically, as and when required especially when there are changes to the Listing Requirements and MCCG 2017, Companies Act, 2016, and Capital Market Services Act, 2007, or at least once (1) every three (3) years. This review shall be facilitated by MSM Company Secretary, MSM Head of Corporate Governance & Risk Management Department, MSM Head of Human Resource Department and Group Chief Internal Auditor.
- 12.2. All amendments to the Terms of Reference of the Committee must be approved by the Board.

*****End of MSM Nomination and Remuneration Committee
Terms of Reference*****