



# **PROLINTAS MANAGERS SDN. BHD.**

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## **TERMS OF REFERENCE FOR NOMINATION AND REMUNERATION COMMITTEE**

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## **TERMS OF REFERENCE FOR NOMINATION AND REMUNERATION COMMITTEE**

### **1.0 INTRODUCTION**

- 1.1 This Terms of Reference (“TOR”) for Nomination and Remuneration Committee (“the Committee”) sets out the requirements of the Board of Directors (“the Board”) of Prolintas Managers Sdn. Bhd. (“the Company”) for the establishment of the Committee.
- 1.2 The Committee is appointed by the Board for the purpose of overseeing the governance, risk management as well as the integrity and compliance process within the Company.
- 1.3 This TOR governs the processes of the Committee and outlines the procedures and guidelines in relation to its nomination and remuneration role.

### **2.0 OBJECTIVE**

- 2.1 The primary objectives of the Committee are as follows:

#### **Nomination Function**

- a) To assist the Board in reviewing on an annual basis the appropriate size and balance of the Board, including appropriateness of non-executive participation;
- b) To review the required mix of skills, experience, knowledge and responsibilities of the Directors of the Board;
- c) To recommend members for appointments to the Board and Board Committees and to ensure appropriate assessment of Directors on an ongoing basis; and

- d) To ensure there is sufficient succession planning and human capital development focus in the Company.

**Remuneration Function**

- a) To recommend to the Board the remuneration framework for the Non-Executive Director including the Non-Executive Chairman;
- b) To set the policies and procedures on the remuneration framework, including reviewing and making recommendations to the Board on all elements relating to remuneration, terms of employment, reward structure and fringe benefits for Executive Directors, the Chief Executive Officer (“CEO”) and key pivotal positions; and
- c) To set the policy and remuneration framework for employees of the Company.

**3.0 COMPOSITION**

- 3.1 The members of the Committee shall be appointed by the Board, and shall consist of a minimum of three (3) members.
- 3.2 All members of the Committee shall be Non-Executive Directors with a majority being Independent Directors.
- 3.3 The Chairman of the Committee must be an independent director.
- 3.4 No alternate Director shall be appointed as a member of the Committee.
- 3.5 The Board shall appoint the Chairman of the Committee and determine the period for which the Chairman is to hold office. If a Chairman has not been appointed, or if the Chairman is not present for any meeting within a reasonable time, the present members shall choose amongst them to be acting Chairman for the purpose of the meeting.
- 3.6 In the event of any vacancy in the Committee, a suitable non-executive Director shall fill the vacancy within three (3) months.

## **4.0 MEETING PROCEDURES**

### **4.1 Quorum**

4.1.1 The quorum necessary for the transaction of the business shall be two (2) members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### **4.2 Frequency**

4.2.1 The meetings shall be conducted at least one (1) times each year and at such other time(s) as it deems necessary to fulfil its responsibilities.

### **4.3 Notice and Agenda**

4.3.1 The Company Secretary shall issue and circulate the notice of the meetings confirming the venue, time and date at least five (5) working days before each meeting to the committee members and all those who are required to attend the meeting; and

4.3.2 The agenda for each meeting including relevant documents and information requested by the Committee shall be circulated at least five (5) working days before each meeting to the Committee members and all those who are required to attend the meeting.

### **4.4 Meeting Mode**

4.4.1 The meeting shall normally be conducted face-to-face to enable effective discussion; however, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the Committee.

4.4.2 The Committee may from time to time and if deemed appropriate, consider and approve and/or recommend relevant matters via a Circular Resolution in writing, in lieu of formally convening a meeting. The Circular Resolution shall be as valid and effectual as if it has been passed by a Committee meeting duly convened. Approval obtained via Circular Resolution must be signed or approved by a majority of the Committee members subject to 4.5.2.

#### **4.5 Voting**

4.5.1 Each member of the Committee is entitled to one (1) vote in deciding the matters deliberated in the meeting. In the case of an equality of votes, the Chairman of the Committee shall have a second or casting votes.

4.5.2 A Committee member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

#### **4.6 Company Secretary**

4.6.1 The Secretary of the Committee shall be the Company Secretary of the Company.

4.6.2 The Secretary shall have the following responsibilities:

- a) ensure meetings are arranged and held accordingly;
- b) draw up meeting agendas in consultation with the Chairman of the Committee, which shall be circulated together with the relevant support papers at least five (5) working days prior to each meeting to the members of the Committee;
- c) ensure structured communication between the Board and the Committee;
- d) be in attendance at each Committee meetings;

- e) ensure proceedings of the meetings are recorded and the minutes submitted to and confirmed by Chairman of the Committee before circulating them to the Board; and
- f) ensure the Committee recommendations presented to the Board are supported by papers; including minutes explaining the rationale for the Committee's recommendation.

#### **4.7 Meeting Minutes**

- 4.7.1 The minutes of the meeting shall be action oriented and record the deliberations and decisions of the Committee.
- 4.7.2 Minutes shall be distributed to Committee members and shall be approved by the Chairman of the meeting at which the proceedings are held or by the Chairman of the next succeeding meeting.
- 4.7.3 The Committee, through its Chairman, shall update the Board on the activities undertaken by the Committee at each Board meeting.

### **5.0 RESPONSIBILITIES AND DUTIES**

- 5.1 The main duties of the Committee shall include, but are not limited to the following:

#### **A. Nomination Matters**

##### **Assessment of Board Composition**

- a) To establish a policy formalizing the Company's approach to Boardroom diversity (including diversity in gender, nationality, age, culture, skills, experience and independence);
- b) Every two years evaluate, review and recommend to the Board the appropriate size of the Board, required mix of skills, experience and other qualities, including core competencies which Non-Executive

Directors shall bring to the Board to ensure that these are in line with the Company's requirements; and

- c) Consider and recommend any policy regarding the period of service of Non-Executive Directors, tenure of Independent Directors and the term of office of Board Committee members, including Chairmen of Board Committees.

### **Appointments**

- a) Consider and recommend to the Board the selection criteria for new appointments as Directors of the Company which may include:
- Required skills, knowledge, expertise and experience;
  - Time commitment, character, professionalism and integrity;
  - Ability to work cohesively with other members of the Board;
  - Specialist knowledge or technical skills in line with the Company's strategy;
  - Diversity in age, gender and experience/background; and
  - Number of directorships in companies outside the Company.
- b) The Committee shall be guided by the Directors' Fit and Proper Policy in their review and assessment of candidates that are to be appointed to the Board as well as Directors who are seeking re-election. The Committee shall also consider and recommend to the Board the composition of the Board which must comprise a majority of Independent Directors and at least 30% women Directors.
- c) The Chairman of the Board shall not be a member of the Committees.
- d) To ensure that a formal letter of appointment setting out clearly the expected time commitment, Board Committee involvement, involvement outside Board meetings and protocol for accepting new Directorships is provided to the Non-Executive Directors upon appointment to the Board.



- e) Identify, consider and recommend suitable persons for appointment as Directors of the Company, relying on sources from existing Board members, Management, major shareholders, independent search firms and other independent sources.
- f) To review the succession planning of Chief Executive Officer (“CEO”).  
The key duties are as follows:
  - To identify high potential and selected talents for that position.
  - To approve specific development intervention of selected talent.
  - To review progress, new assignments, hiring external expertise in order to recalibrate development activities to address capability needs for optimum results.

**Retirement and Re-election**

- a) A retiring Director shall be eligible for re-election.
- b) To recommend to the Board, candidates for re-election of Directors by shareholders. The tenure of an Independent Non-Executive Director shall be limited to a cumulative period of nine (9) years without further extension.

*Computation of the nine-year period starts from the first day a person is appointed as an independent director and is calculated based on such person’s total years of service on a cumulative basis i.e. to aggregate the person’s tenure as independent director in the Company and its related corporations.*

**Succession Planning**

- a) To ensure that an appropriate succession planning framework, talent management and human capital development programme is in place for the position of the CEO and key Management positions. The Committee shall be apprised of the progress of the programme on a regular basis, and at least once a year.
- b) Oversee succession planning for the Board Chairman and Directors.

**B. Remuneration Matters**

- a) To formulate or review the remuneration for the members of the Board, and Board Committees;
- b) To review, appraise and make recommendations to the Board on the CEO of the Company remuneration, salary increment, performance bonus and compensation;
- c) To review and recommend to the Board on the staff annual salary increment pool and performance bonus pool in respect of each financial year; and
- d) To review and recommend any major changes in remuneration policy and employees benefits structure throughout the Company in line with market practice

**6.0 AUTHORITY**

6.1 The Committee shall have the following authority as empowered by the Board:

- a) the authority to investigate any activity or matter within its terms of reference;
- b) to acquire the sources which are required to perform its duties;

- c) to seek any information required from any officer or employee of the Company and all employees are directed to cooperate with any request made by the Committee;
- d) in carrying out its duties, the Committee shall have full and unrestricted access to any information and documents relevant to its activities. All employees are directed to cooperate with any request made by the Committee; and
- e) the Committee shall have the authority to obtain external or independent professional advice or expertise if necessary.

## **7.0 REVISION OF TERMS OF REFERENCE**

- 7.1 The TOR for the Committee should be reviewed at least every three (3) years or whenever deemed necessary.
- 7.2 The TOR shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code of Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements. It shall also be reviewed and updated when there are changes to the direction and strategies to the Company that may affect the Committee's.