



YINSON HOLDINGS BERHAD

Nominating and Remuneration Committee

TERMS OF REFERENCE

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Table of Contents

1	PURPOSE	4
2	OBJECTIVE	4
3	COMPOSITION	5
4	CHAIRMAN	6
5	COMMITTEE SECRETARY	6
6	AUTHORITY.....	7
7	QUORUM AND MEETINGS.....	8
8	DUTIES AND RESPONSIBILITIES OF THE NRC.....	9
9	CIRCULAR RESOLUTIONS / EXTRACTS OF MINUTES OF MEETING	10
10	COMMITTEE'S DISCLOSURES IN ANNUAL REPORT / WEBSITE	10
11	COMMITTEE ETHICS AND PROCEDURES	10
12	REVIEW AND REVISION OF THE TERMS OF REFERENCE.....	11



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Revision Details

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05		



1 PURPOSE

- 1.1 This Terms of Reference defines the scope of responsibilities, duties and authority of the Nominating and Remuneration Committee (“NRC” or “Committee”), established by the board of directors of Yinson Holdings Berhad (“YHB” or “Company”) [“Board”]. It provides the framework for governance of the NRC, for the effective functioning of the Board to meet the needs of YHB and to reflect the objectives and culture of YHB and its subsidiaries (“YHB Group”).
- 1.2 This Terms of Reference is guided by the best practices in the Malaysian Code on Corporate Governance 2017 (“MCCG”), Bursa Malaysia Securities Berhad Main Market Listing Requirements (“MMLR”) and other statutory and regulatory requirements.

2 OBJECTIVE

- 2.1 The principal objectives of the NRC are as follows:
 - 2.1.1 to support and advise the Board on selection/recommendation of new candidates as Board members and assessment of Directors to fulfill their responsibilities to shareholders in ensuring a balanced structure, size and composition of the Board and Board committees and contribution of each individual to the Board;
 - 2.1.2 to review and recommend to the Board the remuneration policy and framework for Executive Directors, Non-Executive Directors and Senior Management;
 - 2.1.3 to review and recommend to the Board a policy formalising YHB Group’s approach to board diversity, in skills, experience, age, gender, cultural background/nationality and independence; and
 - 2.1.4 to review and recommend to the Board a policy on succession planning for Directors and Senior Management.



3 COMPOSITION

- 3.1 The Committee members shall be appointed by the Board and shall consist of not less than three (3) members of which comprise exclusively Non-Executive Directors, a majority of whom are Independent Directors.
- 3.2 In cases where the membership requirements of the Committee cannot be satisfied, the Committee shall review and recommend to the Board for approval any remedial action, including the appointment of another Director to fill up vacancies in the Committee.
- 3.3 No Alternate Director shall be appointed as a member of the Committee.
- 3.4 NRC member may relinquish his membership in the Committee with prior written notice to the Board, informing the Committee Secretary, and may continue to serve as Director of the Company.



4 CHAIRMAN

- 4.1 The members of the Committee shall elect a Chairman of the Committee (“NRC Chairman”) from amongst themselves. If a Senior Independent Non-Executive Director (“SINED”) has been identified by the Board, the SINED shall be the NRC Chairman.
- 4.2 The role of the NRC Chairman is to:
- 4.2.1 lead succession planning and appointment of board members, future Chairman and Chief Executive Officer (“CEO”);
 - 4.2.2 ensure there is a vetting process to identify the best available candidate to be elected as member of the Board and Board committees;
 - 4.2.3 lead governance issues, particularly the annual review of the effectiveness of the Board and Board committees and ensuring that the performance of individual directors is independently assessed;
 - 4.2.4 determine the agenda for meetings of the NRC in conjunction with the Committee Secretary;
 - 4.2.5 chair meetings of the NRC and take reasonable steps for the proper functioning of the NRC including the proper conduct of meetings and an appropriate level of discussion;
 - 4.2.6 take reasonable steps regarding the adequate flow of relevant information to the NRC;
 - 4.2.7 take reasonable steps to advise the Board on the NRC’s recommendations on matters falling within the scope of the NRC’s responsibilities;
 - 4.2.8 review the minutes of meetings of the NRC for circulation to and approval of Committee Members and sign the approved minutes for record; and
 - 4.2.9 act under delegation of the NRC.

5 COMMITTEE SECRETARY

- 5.1 The Company Secretary or Corporate Secretary shall be the Secretary of the Committee.
- 5.2 The Committee Secretary is responsible for the issuance of notice of the meeting at the instruction of the NRC Chairman. The Committee Secretary or his/her representative shall be present to record proceedings of Committee meetings.



6 AUTHORITY

- 6.1 The Board has authorised the Committee, within the scope of its duties and responsibilities set out in this Terms of Reference, to:
 - 6.1.1 perform the activities required to discharge its responsibilities and make relevant recommendations to the Board;
 - 6.1.2 select, engage and obtain, at the cost of the Company, professional advice for the Committee to carry out its duties; and
 - 6.1.3 have full and unrestricted access to information and personnel pertaining to the Company.
- 6.2 The Committee shall be obliged to make recommendations to the Board for its consideration and implementation but shall not have the delegated power from the Board to implement its recommendations.
- 6.3 The role of the NRC is non-executive.



7 QUORUM AND MEETINGS

- 7.1 The quorum for meeting shall be 2 members whom must be Independent Directors.
- 7.2 The Committee shall meet at least twice a year or more frequently as deemed necessary by the NRC Chairman. In addition to the regular scheduled meeting, the NRC Chairman shall call a meeting of the Committee if so, requested by any member of the Committee or by the Chairman of the Board.
- 7.3 The agenda, together with the relevant papers, shall be circulated to all members of the Committee at least 7 days prior to each Committee meeting. Notices of invitation shall be sent to any persons that may be required to attend a meeting of the Committee.
- 7.4 The Committee meeting shall be chaired by the NRC Chairman. Should the NRC Chairman be absent from a Committee meeting, the Committee members present shall appoint amongst themselves a Chairman for that particular meeting.
- 7.5 The NRC Chairman, or the Committee members with the approval from the NRC Chairman, may invite any person to attend the Committee meetings, where considered appropriate and relevant to the agenda discussed, but not necessarily for the full duration of the meeting.
- 7.6 If a Committee member is unable to be physically present, the member may choose to participate via video or teleconferencing.
- 7.7 The Committee Secretary shall record the proceedings of the Committee meetings. Copies of the meeting minutes shall be circulated to all Board members after adoption by the Chairman of the Board.
- 7.8 The Committee shall report to the Board after each meeting and all recommendations and findings of the Committee shall be submitted to the Board for approval.
- 7.9 In the absence of a meeting, issues pertaining to the duties and responsibilities of the Committee may be resolved through circular resolution, provided that all members of the Committee are supplied with sufficient information to understand the subject issue and make informed decisions, and that there is a forum or communication channel for Committee members to express opinions and concerns on the subject issue, if any.



8 DUTIES AND RESPONSIBILITIES OF THE NRC

The main duties and responsibilities of the NRC as follows:

Nomination Matters

- 8.1 Review the structure, size and composition of the Board and make recommendations to the Board with regards to any changes as and when required;
- 8.2 Recommend to the Board, via various sources, candidates for all directorships in the Company. In making its recommendations, the NRC shall evaluate the candidates based on the Company's selection procedure;
- 8.3 Review the Board's nomination and election process;
- 8.4 Recommend to the Board, candidates for appointment to Board committees;
- 8.5 Develop, maintain and review the criteria to be used in the assessment of the Board as a whole, the Board committees and individual Directors;
- 8.6 Ensure that all directors undergo appropriate induction programmes, receive continuous training and the Directors are kept abreast of all regulatory changes and developments in the business environment;
- 8.7 Recommend to the Board, eligible candidates for re-election of directors by shareholders during the annual re-election provision of retirement;
- 8.8 Review and assess the independence of the Independent Directors; and
- 8.9 Monitor and oversee the succession planning for the Board members and Senior Management.

Remuneration Matters

- 8.10 Review the Group's policy and framework on all remuneration elements for determining the Executive Directors' and Senior Management's remuneration and any amendments to that policy and framework;
- 8.11 Consider and make recommendation to the Board on the Executive Directors' and Senior Management's remuneration package based on the performance, level of responsibilities and contribution assessments;
- 8.12 Develop and maintain a remuneration policy for all Directors and Senior Management and ensure the remuneration policy remains supportive of the Company's corporate objectives, is aligned with the interest of the shareholders, being sufficient to attract, retain and motivate the Director and Senior Management and reflective of their experience and level of responsibilities;
- 8.13 Oversee any major changes in Senior Management's remuneration and benefit structures throughout the Group; and
- 8.14 Review and discuss the Directors' fees and benefits.



9 CIRCULAR RESOLUTIONS / EXTRACTS OF MINUTES OF MEETING

- 9.1 A resolution in writing signed by a majority of all Members present in Malaysia and for the time being entitled to receive notice of a meeting of NRC shall be as valid and effectual as if it had been passed at a meeting of the NRC duly convened. Any such resolution shall be described as "Nominating and Remuneration Committee's Written Resolutions " and may consist of several documents substantially the same; each signed by one or more Members and shall constitute one document in those terms. The expressions "in writing" or "written" or "signed" include approval by legible confirmed transmission via facsimile, telex, cable, telegram or other forms of electronic communications.
- 9.2 A document purporting to be a copy of resolution of the NRC or an extract from the minutes of a meeting of the NRC which is certified by any one of the Members and the Committee Secretary shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the NRC.
- 9.3 Each individual Committee Member shall abstain from deliberation and decision of any resolution which involving his own interest.

10 COMMITTEE'S DISCLOSURES IN ANNUAL REPORT / WEBSITE

- 10.1 The Committee is to assist the Board to prepare a statement on the activities of the Committee in the discharge of its duties for the financial year, including the following:
- 10.1.1 how the requirements set out in **Paragraph 2.20A** of the MMLR are met;
 - 10.1.2 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;
 - 10.1.3 the Board's nomination and election process of Directors and criteria used by the Committee in the selection process; and
 - 10.1.4 the assessment undertaken by the Committee in respect of the Board, Board committees and individual Directors together with the criteria used for such assessment.
- 10.2 This Terms of Reference must be made available on the Company's website.

11 COMMITTEE ETHICS AND PROCEDURES

- 11.1 All members shall safeguard all internal committee communications and treat them as strictly private and confidential, and for the use of Committee members only.
- 11.2 The Committee may be required to check references and consult selected third party sources on a confidential basis before making its final recommendations. The Committee shall work diligently amongst the members of the Board in discharging its responsibilities and adhere to the Code of Conduct and Business Ethics of the Company.



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12 REVIEW AND REVISION OF THE TERMS OF REFERENCE

- 12.1 This Terms of Reference will be reviewed periodically or as and when required by the NRC and recommendation be made to the Board for approval on any revision.