



# **TPC PLUS BERHAD**

Registration No. 200301012910 (615330-T)  
(Incorporated in Malaysia)

## **NOMINATION AND REMUNERATION COMMITTEE CHARTER**

Reviewed by the Nomination and Remuneration Committee and  
Approved by the Board of Directors on 27 February 2023

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## 1. OBJECTIVE AND SCOPE

- 1.1 The purpose of this Nomination and Remuneration Committee Charter (“**Charter**”) is to outline the term of reference of the Nomination and Remuneration Committee (“**NRC**” or “**Committee**”) to assist the Board of Directors in discharging its fiduciary duties in accordance with the Main Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa**”) and the Malaysian Code on Corporate Governance (“**MCCG**”).
- 1.2 This Charter shall apply to TPC Plus Berhad (“**the Company**”) and its subsidiary companies (collectively, “**the Group**”).

## 2. COMPOSITION

- 2.1 The Committee members shall be appointed by the Board from among their number and shall comprise not fewer than 3 in number all of whom shall be Non-Executive Directors with a majority being Independent Directors.
- 2.2 The chairman of the Board of Directors shall not be a member of the NRC.
- 2.3 The Chairman of the NRC shall be an Independent Director or the Senior Independent Director. The responsibilities of the NRC Chairman are, among others, as follows:
  - 2.3.1 Planning and conducting meetings;
  - 2.3.2 Overseeing the reporting to the Board;
  - 2.3.3 Encouraging open discussion during meetings;
  - 2.3.4 Attend the Company’s Annual General Meeting to answer any shareholder’s questions on the activities of the NRC;
  - 2.3.5 Lead a succession planning and appointment of Directors, and oversee the development of a diverse pipeline for Board and Management succession including the future Chairman, Executive Directors and Managing Director; and
  - 2.3.6 Lead the annual review of board effectiveness, ensuring that the performance of each individual Director and Chairman of the Board are independently assessed.
- 2.4 In the event a member of the Committee resigns or for any other reason ceases to be a member resulting in the number of members reduced to below 3, the Board shall within 3 months of that event appoint such number of new members as may be necessary to make up the number of not fewer than 3 members.

### 3. AUTHORITY

- 3.1 In performing its duties, the NRC shall:
- 3.1.1 have full and unrestricted access to the Group's human resources records, information, properties and personnel.
  - 3.1.2 be able to obtain external professional advice at the expense of the Group and secure the attendance of persons with relevant experience and expertise if it considers this necessary.

### 4. FUNCTIONS AND RESPONSIBILITIES

- 4.1 To introduce any policy and/or procedure which would enable the smooth administration and effective discharge of the Committee's duties and responsibilities including a formal, rigorous and transparent process for the appointment of Directors (including re-appointments) and Senior Management.
- 4.2 To carry out the functions and responsibilities of the NRC in accordance with the relevant policies and procedures approved by the Board of Directors including, but not limited to, the following:
- 4.2.1 The Fit and Proper Policy.
  - 4.2.2 The Diversity Policy.
  - 4.2.3 The Nomination and Appointment Policy.
  - 4.2.4 The Remuneration Policy.
- 4.3 To ensure that the person nominated for directorship is able to meet, fulfill or perform the terms of reference set out in the Board Charter approved by the Board of Director such as the time commitment required and the non-appointment of an active politician. Any appointment that may cast doubt on the integrity and governance of the Company should be avoided.
- 4.4 Other than the above, the primary functions of the NRC are as follows
- 4.4.1 **Nomination**
    - (a) To determine the core competencies and skills required of Directors and Senior Management 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.
    - (b) 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 provided at least half of the Board comprises Independent Directors for a more effective oversight of management.

- (c) To identify candidates for the appointment of Directors and consider why other sources shall not be used when the candidates proposed to the Board are candidates recommended by existing Directors, major shareholder or management.
- (d) To recommend to the Board, the Directors or Senior Management of the Company to fill the seats on Board Committees.
- (e) To undertake a review and refresh periodically the Board composition of the required mix of new skills, perspective, experience and other qualities which a Director should bring to the Board as well as the tenure and independence of each Director and the diversity (gender, ethnicity, age of group) of the Board composition.
- (f) To evaluate the effectiveness of the Board and Board Committees as a whole and to assess the contributions and performance of the individual members of the Board, Board Committee and Senior Management including their performance in addressing the Company's material sustainability risks and opportunities.
- (g) To review the training programmes for Directors to ensure that they, among others, stay abreast with and understand the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.
- (h) To review the Board's and Senior Management's succession plans and ensure that a Director shall only be recommended for re-election subject to a satisfactory evaluation of the Director's performance and contribution to the Board.
- (i) To recommend to the Board on the removal of a member of the Board, Board Committee or Senior Management if he is ineffective, errant or negligent in discharging his responsibilities.
- (j) To ensure that a formal letter of appointment setting out clearly the expected time commitment, Board Committee involvement and protocol for accepting new directorships is provided to the Non-Executive Directors upon appointment to the Board and to approve the Service Contract of Senior Management including its renewal or termination.

#### 4.4.2 Remuneration

- (a) To review and recommend to the Board for approval policies and procedures to determine the remuneration of the Directors and Senior Management taking into account their merits, qualifications and competences and also the demands, complexities and performance of the Group.

- (b) To review and recommend to the Board on the individual remuneration package for Executive Directors and Senior Management personnel and to ensure that their base salary element is competitive but fair and that fair differential between the remuneration of Executive Directors and other levels of management is maintained.
- (c) To assess annually the individual Director and Senior Management and ensure that their remuneration are made in accordance with the remuneration policy approved by the Board.
- (d) 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 Senior Management with those paid to Executive Directors and Senior Management of other companies of a similar size in a comparable industry sector.

## 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 are 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, members of the Board other than its chairman, Head of Human Resources or Senior Management personnel may attend meetings upon 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 Group to attend its meetings.
- 5.3 Mode of Meeting
- 5.3.1 Other than meeting physically, the Committee members may participate in a meeting of the NRC by means of a conference telephone or similar electronic telecommunication device or any other audio, audio-visual or communication equipment which allows all persons participating in the meeting to hear and speak with each other throughout the duration of the meeting. Any person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Unless otherwise decided by the NRC, such a meeting shall be deemed to take place at the venue of the meeting stated in the notice of meeting.
- 5.4 Notice and Agenda
- 5.4.1 Proper notice shall be issued for any Committee meeting and the Chairman shall ensure that the proper agenda is prepared for the meeting.
  - 5.4.2 The agenda and relevant papers for the Committee meeting must be issued at least a week in advance of each meeting.
- 5.5 Quorum and Votes
- 5.5.1 The quorum shall consist of 2 members with the majority of members present being Independent Directors.
  - 5.5.2 In the absence of the Chairman, the members present shall elect a chairman for the meeting from amongst the members present.
  - 5.5.3 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.
  - 5.5.4 To avoid a conflict of interest, a member of the Committee shall abstain from participating in the discussion and/or decisions on matters involving him.
  - 5.5.5 Directors who are shareholders and controlling shareholders with a nominee or connected Director on the Board should abstain from voting on the resolution to approve Directors' fees at the general meeting. Similarly, Executive Directors should not be involved in discussions to decide on their own remuneration.

5.6 Minutes and Resolution

- 5.6.1 Discussions and conclusions of the Committee meetings should be minuted and the minutes should be entered into the Minutes Book kept by the Secretary.
- 5.6.2 Reproduction of any part of the minutes can be only through/by the Secretary.
- 5.6.3 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 The NRC shall disclose in the Company's annual report a statement about the activities of the Committee in the discharge of its duties for the financial year 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 NRC shall review this Charter periodically and recommend to the Board for approval any amendments, revisions and updates so as to be in line with the changes to the relevant laws, regulatory requirements, prevailing corporate governance or best practices.