

NOMINATION  
AND  
REMUNERATION  
COMMITTEE

TERMS OF REFERENCE



TAHPS GROUP BERHAD (37-K)

Updated as at [22 February 2017]

Contents

	<u>Page</u>
A. Objectives	1
B. Composition	1
C. Authority	1
D. Function and Duties	2
E. Quorum and Conduct of Meetings	2
F. Review of the Terms of Reference	3

**A. OBJECTIVES**

The principal objectives of the Nomination and Remuneration Committee ("NRC") are to:-

1. assist the Board of Directors ("Board") in proposing new nominees for the Board;
2. ensure that the Board comprises Directors with an appropriate mix of responsibilities, skills and experiences; and
3. review and recommend policies on nomination and remuneration framework to the Board on all aspects of employment including but not limited to employment terms, benefits, remuneration and compensation ("Benefits") for Non-Executive Directors ("NED"), Executive Directors, Group Chief Executive Officer ("GCEO") and key management positions under the employment of TAHPS Group Berhad ("TAHPS" or "Company") or its subsidiaries ("Group"). The key management position shall include the GCEO, COO, CFO, CRO, GM Property and any other equivalent key positions. The decision of the nomination and remuneration framework shall be the responsibility of the Board. The NED and ED shall play no part in approval of their own respective remuneration.

**B. COMPOSITION**

1. The NRC members shall be appointed by the Board from amongst their number and shall consist of a minimum of three (3) members, all of whom shall be Non-Executive Directors, and a majority of whom shall be Independent Directors;
2. No Alternate Director shall be appointed as an NRC member; and
3. The Chairman of the NRC ("Chairman") shall be elected from amongst the NRC members and shall be an Independent Non-Executive Director approved by the Board. In the absence of the Chairman, the other Independent Non-Executive Director shall be the Chairman for that meeting.

**C. AUTHORITY**

The NRC shall have the following power and authority and at the cost to the Company:-

1. to have full and unrestricted access to all information and documents / resources within the Group to perform its duties.
2. to appoint or invite external parties for the purposes of obtaining independent professional advice, expertise and services if the NRC consider it as necessary.
3. to invite any employees of the Group to attend NRC meetings and to brief the NRC on matters being deliberated if the NRC considers this as necessary.
4. to provide recommendations to the Board for consideration and approval.

#### D. FUNCTIONS AND DUTIES

The main functions and duties of the NRC shall include, but are not limited to the following:

1. to consider, review and recommend the appointment of potential candidates to the Board and committees of the Board;
2. to assess annually, the effectiveness of the Board as a whole and each individual Director, as well as the effectiveness of the various committees of the Board and their members;
3. to assess composition of the membership and determine the core competencies and skills required of the Board and its various committees;
4. to advise on succession planning for Directors and other key management positions in the Group;
5. to establish and review the Benefits in all its form for the EDs, NEDs, GCEO and key management positions under the employment within the Group;
6. to review and approve annual salary increments and bonuses for the EDs, NEDs, GCEO and key management positions under the employment of the Group; and
7. to obtain external advice, where necessary, on Benefits for the EDs, NEDs and key management positions under the employment of the Group.

#### E. QUORUM AND CONDUCT OF MEETINGS

1. The quorum for a meeting of the NRC shall be two (2) members whereby both members must be an Independent Director.
2. The NRC shall convene a meeting at least two times in the financial year.
3. Except as outlined above under this header, NRC meetings shall be conducted in accordance with the provisions of the company's constitution for TAHPS in the governing the proceedings for Directors. Any member taking leave from the meeting shall notify the secretary of the Chairman at least twenty (24) hours before the scheduled meeting.
4. The meeting shall commence after ten (10) minutes of the scheduled time of meeting upon the quorum of two (2) members being present. If the Chairman is not present after ten (10) minutes, the Committee members present may elect a Chairman for that meeting and the proceedings can continue.
5. The Chairman of the NRC shall report formally to the Board, at each Board meeting, on the proceedings of the Committee since the previous Board meeting.
6. A meeting of the NRC 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 of which all members participating in the

meeting can listen and hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

7. The NRC may from time to time, consider and/or recommend relevant matters for approval 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 meeting of the NRC duly convened and must be signed or approved by all NRC members.

#### F. REVIEW OF THE TERMS OF REFERENCE

The NRC shall recommend any changes to its terms of reference in such matters as the NRC deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated where necessary if there are any compulsory changes required in accordance with any legislation, regulations, directives or order in law. It shall also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the NRC's role.

[END OF TERMS OF REFERENCE]