

FGV



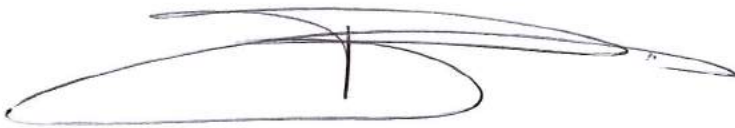
**NOMINATION AND REMUNERATION
COMMITTEE
TERMS OF REFERENCE**

FGV HOLDINGS BERHAD

(VERSION 8.0)

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Chairman, Board of Directors

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1. 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 FGV 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 the following applies:

- "the Company" or "FGV" refers to FGV Holdings Berhad;
- "FGV Group" or "the Group" refers to FGV and its Group of Companies¹;
- "the Board" refers to the Board of Directors of FGV;
- "NRC" or the "Committee" refers to the Nomination and Remuneration Committee of FGV; and
- "Top Management" refers to the Chief Executive Officer ("Group CEO"), the Sector Heads (Chief Operating Officers), FGV Group Chief Financial Officer, FGV Chief Internal Auditor, Head of Group Governance & Risk Management, FGV Company Secretary and all positions from Senior Vice President and above.

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 set out the terms of conduct of the FGV 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, ("the Code" or "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 ("the Guide") issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") in 2017, which seeks to enrich the application and actualisation of corporate governance practices by providing practical guidance to listed issuers and cultivate listed issuer's appreciation on the drivers of sound corporate governance.

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

2. 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, all directorship in the Group and the Group's Top Management which includes nomination of FGV Nominee Directors in the Group including FGV listed subsidiaries;
 - 2.2.2. Nomination and election process and appointment and re-appointment/ re-election process;
 - 2.2.3. Contribution and commitment of Directors;
 - 2.2.4. Letter of appointment;
 - 2.2.5. Induction and continuing education programmes;
 - 2.2.6. Board Assessment;
 - 2.2.7. Succession Planning;
 - 2.2.8. Remuneration matters;
 - 2.2.9. Remuneration of the Group CEO and the Executive Director(s);
 - 2.2.10. Remuneration of Non-Executive Directors;
 - 2.2.11. Remuneration of the Group's Top Management; and
 - 2.2.12. Other general remuneration across the FGV Group.
- 2.3. The existence of the Committee does not diminish the Board's ultimate statutory and fiduciary responsibility for decision-making relating to the functions and duties of the Committee.

3. MEMBERSHIP

- 3.1. The Committee membership and the Chairman of the Committee shall be appointed by the Board of FGV, and shall comprise of not less than three (3) members, whom shall be appointed from among the Directors of FGV Board.
- 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 members of the Committee must be present at the Committee meeting, with a majority of Independent Non-Executive Directors.
- 3.4.2. The Chairman of the Committee must be present at all of the Committee meetings.

4. 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. SECRETARY OF COMMITTEE

- 5.1. The FGV 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. ensuring the Committee meetings are arranged and held accordingly;
 - 5.3.2. assisting the Chairman of the Committee in planning the Committee's activities for the financial year;
 - 5.3.3. drawing 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. ensuring structured communication between the Board and the Committee;
 - 5.3.5. ensuring 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. AUTHORITY

- 6.1. The Board authorises the Committee, within the scope of its duties and responsibilities set out in this TOR to:
- 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 any 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 as stated in the Standard Operating Procedure Directors Seeking Independent Professional Advice. The Committee or any individual member of the Committee may seek waiver of para 6.3 - 6.6 of the Standard Operating Procedure Directors Seeking Independent Professional Advice to directly engage the independent professional advice through the Secretaries of the Committee with approval of the Committee or Chairman of the Committee or Chairman of the Board; and
 - 6.1.5. meet exclusively among itself, whenever deemed necessary.

7. 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 FGV Board, FGV 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, the Sector Boards and all directorship in the Group with a view to determining the impact of the number of Directors upon the Board's, the Board Committee's, the Sector Boards' and the 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 Board composition in the FGV Board Nomination and Election Policy and Procedures, having regard to the mix of 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

Practice 4.4,
MCCG 2017

Paragraph 15.08A(3)
Listing Requirements

- c) review, enhance and recommend to the Board the policies on conflict of interest and on independence of the Independent Directors as prescribed in the FGV Board Nomination and Election Policy and Procedures.

7.1.2. Employment Contracts

- a) review and recommend to the Board the appointment of any Executive Directors;
- b) review and recommend to the Board the extension of contracts of the Executive Director(s); and
- c) review and recommend to the Board any matters relating to the continuation in office including the suspension or termination of service of the Executive Director(s) subject to the provision of the laws and their service contracts.

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 and the Board Committees and recommend to the Board for its approval (for FGV Board, the criteria is as prescribed in the FGV 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 directorship in 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, FGV 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; and

Paragraph 2.20A and
15.08, Listing
Requirements
Practice 4.4, MCCG 2017

- (v) in the case of candidates for the position of Independent Director, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Directors.

Prior to the appointment, the prospective Director shall be required to disclose any other business interest that may result in a conflict of interest;

- d) review the re-appointment/re-election/retirement process of FGV 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
- e) make recommendations to the Board for its approval on the re-appointment/re-election/retirement of FGV 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.

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 documents (e.g. FGV Board Charter, FGV Board Committees' TORs, the Directors' Code of Ethics and Conduct and the Directors' Code of Business Practice).

7.1.6. Induction and continuing education programmes

- a) recommend to the Board and facilitate appropriate induction programmes for the new FGV 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 FGV 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 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 15.08(2), Listing Requirements

7.1.7. Board Assessment

- a) ensure that prior to new Board appointment, a full assessment on the candidate is undertaken based on FGV 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, MCGG 2017
- 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; Practice 5.1, MCGG 2017
- 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 points 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 recommends 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 FGV Board Nomination and Election Policy and Procedures and recommends to the Board for continuation of office. The term of any Independent Directors in the 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. Practice 4.3, MCGG 2017
Practice 5.1, MCGG 2017
- g) review the term of office and performance of FGV Audit Committee and each of its members annually to determine whether FGV Audit Committee and its members have carried out their duties in accordance with FGV Audit Committee's Terms of Reference. 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 Group's Top Management.

Practice 1.1, MCCG 2017

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.

Practice 6.1, MCCG 2017

- b) design, formulate and recommend to the Board for its approval, and maintain under review, the remuneration packages for Non-Executive Directors of FGV and the Group and FGV Board Committees (hereinafter referred to as the "FGV 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, Board Committees and Sector Boards. This review shall be facilitated by the FGV Company Secretary, FGV Chief Human Resources Officer and FGV Group Chief Financial Officer.

Practice 6.2, MCCG 2017

- c) assess the effectiveness and relevance of FGV Board Remunerations Policy and human resources 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 FGV Board Remunerations Policy and human resources policies on employees' remuneration;
- (ii) FGV Board Remunerations Policy and human resources policies on employees' remuneration encourages behaviour that supports FGV's long-term financial soundness, growth and success within an appropriate risk management framework;
- (iii) FGV Board Remunerations Policy and human resources policies on employees' remuneration demonstrates a clear relationship between individual performance and remuneration; and
- (iv) the human resources policies on employees' remuneration, where appropriate, specifies an appropriate mix of remuneration, reflecting the short-term and long-term performance objectives in relation to FGV's strategies.

- d) consider the use of combination of remuneration types, e.g. Directors' fees, allowances, performance share plans, long-term and short-term performance incentive, benefits-in-kind.

- e) design, formulate and recommend to the Board for its approval, and maintain under review, the remuneration packages for the Executive Director(s) including annual salary increments, 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.
- f) as and when the need arises, review and link the remuneration of the Directors and the Executive Director(s) especially performance-based remuneration, to the individual's performance and contribution to the Group.

7.1.10. Remuneration of the Executive Director(s)

- a) review and recommend to the Board, on an annual basis, the contractual and remuneration arrangements for the Group CEO and Executive Director(s) having regard to FGV Board Remunerations Policy and 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 payments to be made;
 - (iv) retention and sign-on rewards;
 - (v) the development of any equity based plan for the Group CEO and the Executive Director(s); and
 - (i) any other forms of remuneration including allowances and any benefits payable to the Group CEO and Executive Director(s) including any 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 and the Executive Director(s); and
- c) in formulating remuneration levels, the Committee must consider the assessment on the performance of the Group CEO and the Executive Director(s) against such targets as well as benchmarking to market rate for benefits-in-kind, annual increments and bonus.
- d) the FGV Chief Human Resources Officer shall assist the Committee to formulate the remuneration levels of the Group CEO and the Executive Director(s) and conduct appropriate benchmarking to market rate prior to determining any benefits payable to the Group CEO and Executive Director(s) 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

7.1.12. Remuneration of the Group's Top Management

- a) review and recommend to the Board, on an annual basis, the individual remuneration levels and remuneration arrangements for the Group's Top Management having regard to the human resources policies on employees' remuneration, including:
 - (ii) fixed remuneration levels and benefits;
 - (iii) short term incentives and long term incentives remuneration targets and outcomes (including performance targets);
 - (iv) any termination payments to be made;
 - (v) retention and sign-on rewards;
 - (vi) all incentive awards to be made to each individual; and
 - (vii) any other forms of remuneration including allowances and any other applicable benefits-in-kind.
- b) the FGV Chief Human Resources Officer shall assist the Committee to formulate the remuneration levels of the Group's Top Management and conduct appropriate benchmarking to market rate prior to determining the benefits, annual salary increments, bonuses, promotions, salary adjustments and promotion adjustments.

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

C. Top Management's nomination and election process

7.1.14. Composition of Top Management in the Group :

- a) review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Group's Top Management;

7.1.15. Employment Contracts

- a) review and recommend to the Board the appointment of any Top Management within the Group ;
- b) review and recommend to the Board any changes in the position of the Group's Top Management;
- c) review and recommend to the Board the extension of contracts of the Group CEO, the Group's Top Management and any other person the Board determines; and
- d) review and recommend to the Board any matters relating to the continuation in office including the suspension or termination of service of the Group CEO, the Group's Top Management and any other person the Board determines subject to the provision of the laws and their service contracts.

Paragraph 2.20A,
Listing Requirements

7.1.16. Appointment process and its criteria

- a) develop, maintain and keep under review the criteria to be used in the appointment/recruitment process of the Group CEO and the FGV Chief Financial Officer and recommend to the Board for its approval; and
- b) recommend to the Board for its approval, candidates for the Group CEO, the FGV Chief Financial Officer and the Group's Top Management position taking into account the skills, knowledge, experience and diversity of the Group's Top Management.

Paragraph 2.20A and
15.08, Listing
Requirements
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 Group's Top Management.

Practice 1.1, MCCG 2017

D. Top Management Remuneration Matters

7.1.18. Policies related to remuneration

review 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.

Practice 6.1, MCCG 2017

- a) review and recommend to the Board for its approval, and maintain under review, the remuneration packages for Group's Top Management 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 Group's Top Management. This review shall be facilitated by the FGV Chief Human Resources Officer.
- b) consider the use of combination of remuneration types, e.g. performance share plans, long-term and short-term performance incentive, benefits-in-kind.
- c) design, formulate and recommend to the Board for its approval, and maintain under review, the remuneration packages for the Group CEO and the Group's Top Management including annual salary increments, 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.
- d) as and when the need arises, review and link the remuneration of the Group CEO and the Group's Top Management, especially performance-based remuneration, to the individual's performance and contribution to the Group.

7.1.19. Remuneration of the Group CEO

- a) review and recommend to the Board, on an annual basis, the contractual and remuneration arrangements for the Group CEO having regard to 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 payments to be made;
 - (iv) retention and sign-on rewards;
 - (v) the development of any equity based plan for the Group CEO; and
 - (vi) any other forms of remuneration including allowances and any benefits payable to the Group CEO including any 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 FGV Chief Human Resources Officer shall assist the Committee to formulate the remuneration levels of the Group CEO and conduct appropriate benchmarking to market rate prior to determining any benefits payable to the Group CEO including any compensation for loss of employment, annual salary increments, bonuses, promotions, salary adjustments and promotion adjustments.

7.1.20. Remuneration of the Group's Top Management

- a) review and recommend to the Board, on an annual basis, the individual remuneration levels and remuneration arrangements for the Group's Top 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 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 FGV Group Chief Human Resources Officer shall assist the Committee to formulate the remuneration levels of the Group's Top Management and conduct appropriate benchmarking to market rate 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 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 resources, FGV Board Remunerations Policy and FGV 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 organization structure for approval and shall take into account the Group's equity structure and the impact to the statutory financial reporting.

8. RELATIONSHIP WITH LISTED SUBSIDIARIES' NOMINATION COMMITTEES

- 8.1. FGV NRC delegates the functions under its terms of reference, in respect of its subsidiaries which are listed on Bursa Malaysia ("the listed subsidiaries") and Companies directly held by the listed subsidiaries, to the Nomination Committees of the listed subsidiaries.
- 8.2. Nevertheless, the conduct of the delegated functions under its terms of reference should be consistently maintained by the Nomination Committees of the listed subsidiaries.
- 8.3. FGV NRC reserves the right to establish orderly conduct of the duties and authority across the Nomination Committee of its listed subsidiaries and reserves its right to be apprised of any significant issues reported by the listed subsidiaries' Nomination Committees and any other matters it deems appropriate.

9. REPORTING

- 9.1. The Committee shall report to the Board on matters considered and its recommendations thereon, pertaining to the Group through:
 - 9.1.1. 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;
 - 9.1.2. the Chairman of the Committee drawing to the Board's attention any matter of major importance.
- 9.2. 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.
- 9.3. In pursuant to the Listing Requirements, the Committee shall be responsible in ensuring the Company discloses in its Annual Integrated Report a statement on the activities of the Committee in the discharge of its duties for the financial year. Such statement shall include:
 - 9.3.1. the Policy on Board Composition having regard to the mix of skills, independence and diversity (including gender, ethnicity and age) required to meet the needs of FGV;
 - 9.3.2. the Board nomination and election process of Directors and criteria used by the Committee in the selection process; and
 - 9.3.3. 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.

Paragraph 15.08A(3),
Listing Requirements
Practice 11.2, MCGG
2017

- 9.4. The Committee shall be responsible in ensuring that the Company discloses in its Annual Integrated Report the Director's remuneration in accordance with relevant provisions from the Listing Requirements. Part A, Appendix 9C,
Listing Requirements
- 9.5. 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 Integrated Report and other shareholder/stakeholder communication documents, in relation to nomination and remuneration matters.

10. MEETINGS ADMINISTRATIONS

- 10.1. Frequency and attendance
- 10.1.1. The Committee meetings shall be conducted at least three (3) times annually, or more frequently as circumstances dictate.
- 10.1.2. 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.
- 10.1.3. 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.
- 10.1.4. Resolutions 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 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 submitted for confirmation at a meeting of the Committee following the passing of the circular resolutions.
- 10.1.5. 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 or tele-conferencing, or other appropriate means as determined by the Committee.
- 10.1.6. The FGV Group CEO and FGV Group Chief Human Resources Officer may attend the meetings upon invitation of the Committee. Participation from the FGV Group CEO and FGV Group Chief Human Resources Officer may not be required for the full duration of the meeting.
- 10.1.7. 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.

- 10.1.8. 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 think fit.
 - 10.1.9. 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.
 - 10.1.10. Any of the Committee member or invited participant, including Independent Advisors, with conflicting interest shall abstain from discussion and participating in decisions or voting of the related matter. The member of the Committee and/ or invited participant, including Independent Advisors, shall excuse himself/herself from the Committee meeting during discussions or deliberations of any matter which he/she has interest in or gives rise to perceived conflict of interest situation for him/her.
 - 10.1.11. The Chairman of the Committee shall exercise the right to request those who are in attendance to leave the room if matters discussed are confidential or the deliberation may be impaired due to the presence of individuals concerned.
- 10.2. Notice and agenda
- 10.2.1. Proper notice shall be issued for the Committee's meeting and the Chairman shall ensure that proper agenda is prepared for the Committee meeting.
 - 10.2.2. The agenda and relevant papers for the Committee meeting must be circulated at least five (5) business days prior to each of the Committee meeting. Practice 1.5, MCCG 2017
- 10.3. Minutes of the meeting
- 10.3.1. The discussions and conclusions of the Committee meetings shall be minuted, in a clear, accurate (reflect the deliberations and decisions), consistent, complete and timely manner; Practice 1.5, MCCG 2017
 - 10.3.2. The minutes shall be entered into the minutes Register kept by the FGV Company Secretary together with the attendance sheet.
 - 10.3.3. The minutes shall be entered into the minutes Register kept by FGV Company Secretary together with the attendance sheet.
 - 10.3.4. Keeping of the minutes must comply with the requirements of the relevant law and regulations, e.g. Companies Act, 2016 and Income Tax Act, 1967.
 - 10.3.5. Reproduction of any part of the minutes can only be through/by the FGV Company Secretary.

11. THE COMMITTEE'S PERFORMANCE

- 11.1. On an annual basis, the Board shall evaluate 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, MCGG 2017

12. THE COMMITTEE'S ETHICS AND PROCEDURES

- 12.1. 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.
- 12.2. The Committee may be required to check references and consult selected third party sources on a confidential basis before making its final recommendations.
- 12.3. The Committee shall work diligently amongst the members of the Board in performing its assessments and adhere to all applicable laws and regulations, as well as the prescriptions rendered in the Directors' Code of Ethics and Conduct and the Directors' Code of Business Practice.

13. REVIEW OF TERMS OF REFERENCE

- 13.1. The Committee Terms of Reference and work plans shall be reviewed periodically, as and when required especially when there are changes to the Listing Requirements, the MCGG 2017, Companies Act, 2016 and Capital Market Services Act, 2007 or at least once every three (3) years. This review shall be facilitated by FGV Group Chief Human Resources Officer, FGV Company Secretary, Head of Group Governance & Risk Management and FGV Chief Internal Auditor.
- 13.2. All amendments to the Terms of References of the Committee must be approved by the FGV Board.