

FGV



**NOMINATION AND REMUNERATION
COMMITTEE
TERMS OF REFERENCE**

FGV HOLDINGS BERHAD

(VERSION 11.0)

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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;
 - "FGV Subsidiaries" refers to all companies where FGV Holdings Berhad owns and control more than 50% shares in such companies;
 - "listed subsidiaries" refers to FGV's subsidiaries which are listed on Bursa Malaysia;
 - "the Board" refers to the Board of Directors of FGV;
 - "Board Committees" refers to the Board Committees of FGV;
 - "Subsidiary Board" refers to the Board of Directors of FGV Group;
 - "management" refers to the management of FGV Group;
 - "Key Management" refers to Chief Executive Officer of FGV Subsidiaries and all positions from Vice President and above.
 - "Group LOA" refers to the Limits of Authority of FGV Group;
 - "NRC" or "Committee" refers to the Nomination and Remuneration Committee of FGV;
 - "AC" refers to the Audit Committee of FGV; and
 - "Top Management" refers to the Group Chief Executive Officer ("Group CEO"), the Group Director of Divisions, Group Chief Financial Officer, Chief Internal Auditor, Chief Governance & Risk Officer, Chief Sustainability Officer, Company Secretary, Group Management Committee (GMC) members, 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 NRC Terms of Reference aims to set out the terms of conduct of the NRC with respect to relevant provisions of the Listing Requirements. In addition, the NRC Terms of Reference also recognizes and aims to adopt related practices and guidance from the following documents:
- 1.3.1. The Malaysian Code on Corporate Governance 2021 and subsequent amendments, ("the Code" or "MCCG"), which provides Principles, Intended Outcome, Practices and Guidance to promote greater internalisation of good governance and culture of integrity; and
- 1.3.2. The Corporate Governance Guide ("the Guide") issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia"), 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 NRC TOR is established pursuant to the Listing Requirements and approved by the Board.
- 2.2. The purpose of the Committee, set up under the Listing Requirements, is to assist the Board in fulfilling its roles and responsibilities with regards to:
- 2.2.1. Composition of the Board, Board Committees, directorships of the Group CEO in the Group and FGV Nominee Directors in the listed subsidiaries;
 - 2.2.2. Nomination and election process including appointment/re-appointment/re-election of Directors and appointment/removal/termination/extension and non-renewal of contract for Key Management as per the prevailing Group LOA.
 - 2.2.3. Contribution and commitment of Directors (include devotion of the required time to serve the Board effectively);
 - 2.2.4. Letter of appointment for Directors;
 - 2.2.5. Induction and continuing education programmes for Board;
 - 2.2.6. Board assessment;
 - 2.2.7. Succession planning for the Board and the Key Management;
 - 2.2.8. Remuneration matters;
- 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.

Paragraph 15.08A(2),
Listing Requirements
Practice 7.2,
MCCG

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

Paragraph 15.08A(1)
Listing Requirements
Practice 1.4,
MCCG

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.

- 3.3. No Alternate Director shall be appointed as a member of the Committee and the Chairman of the Board should not be a member or Chairman of the Committee. All members of the Committee, including the Chairman, will hold office only so long as they serve as Directors of FGV.
- 3.4. Quorum
 - 3.4.1. To form a quorum for the Committee meeting, 50% of the members but not less than two (2) members of the Committee, must be present at the meeting, with the majority of the members attending 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 shall be determined by the Board and 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 5.8, MCCG
- 4.2 The Chairman of the Committee shall: Practice 5.8, MCCG
 - 4.2.1 lead the succession planning and appointment of Directors, and oversee the development of a diverse pipeline for the Board and management succession, including the future Chairman, Executive Directors and Key Management; and
 - 4.2.2 lead the annual review of Board Effectiveness Assessment, ensuring that the performance of each individual Director and Chairman of the Board are independently assessed.

5. SECRETARY OF COMMITTEE

- 5.1. The FGV Company Secretary shall be the Secretary of the Committee.
- 5.2. The Secretary of the Committee or with the approval of the Committee a representative of the Company Secretary 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 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 (i.e. formal and prompt reporting) 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

The Board 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 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 information pertaining to the Group, their 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 external consultant through the Secretary 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.
- 6.2. The Committee shall be assisted by the Chief Human Capital Officer, the designated person within management, to focus in managing the Group's workforce in planning and strategizing to attract candidates with the right set of skills, talent management, human capital and career development (designing training programmes for employees). Group Human Capital shall also present the succession plan for Key Management biannually.

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 the Board, Board Committees, directorships of the Group CEO in the Group and FGV Nominee Directors in the listed subsidiaries:

- a) annually review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and Board Committees during the Board Effectiveness Assessment 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;
- 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; and
- d) review and nominate the group CEO as FGV Nominee Director in the Group as well as other FGV Nominee Directors in the listed subsidiaries.

Practice 2.20A and 15.08A(3)(a), Listing Requirement Practice 5.1, 5.2 & 5.5 MCGG

7.1.2. Employment Contracts of the Executive Directors

- 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 Directors; 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

Practice 5.2 & 5.5 MCGG

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);

Paragraph 2.20A Listing Requirement Practice 5.2 & 5.5, MCGG

- b) recommend to the Board for its approval the criteria for identifying a Deputy Chairman and Senior Independent Non-Executive Director;
- c) recommend to the Board for its approval, candidates for the Board, the Deputy Chairman and 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
 - (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 Effectiveness Assessment;
- e) make recommendations to the Board for its approval on the re-appointment/re-election/retirement of FGV Directors; and
- f) make recommendations to the Board for its approval on the nomination of the Group CEO as FGV's Nominee Director on the board of the Group and any other FGV Nominee Director at FGV's listed subsidiaries.

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.

Paragraph 2.20A
Listing Requirement

Practice 5.5,
MCCG

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 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 Effectiveness 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,
Listing Requirement

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;
- b) develop, maintain and review the criteria and process to be used in the annual Board Effectiveness Assessment (i.e. assessment of the Board as a whole, the Board Committees and the individual Directors which includes an assessment on the independence of Independent Directors and a review of the performance of the Board in addressing the Company's material sustainability risks and opportunities);
- c) assess, on an annual basis, the effectiveness of the Board through the Board Effectiveness Assessment and the contribution of each individual Director and maintain proper documentation;
- 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;

Paragraph 15.08A(3)(b),
Listing Requirements

Practice 5.5 & 5.6,
MCCG

Paragraph 15.08A(3)(c),
Listing Requirements

Practice 4.4 & 6.1,
MCCG

- 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 Effectiveness Assessment; and

Practice 5.4 & 6.1,
MCCG

Clause 106,
FGV Constitution
- g) review the term of office and performance of AC and each of its members annually to determine whether AC and its members have carried out their duties in accordance with AC'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).

Practice 1.1 & 5.8
MCCG

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 7.1 & 7.2
MCCG
- b) design, formulate and recommend to the Board for its approval, and maintain under review, the remuneration packages for Directors of FGV and the Group and the 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;
- c) assess the effectiveness and relevance of FGV Board Remunerations Policy 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;

- (ii) FGV Board Remunerations Policy encourages behaviour that supports FGV's long-term financial soundness, growth and success within an appropriate risk management framework; and
- (iii) FGV Board Remunerations Policy demonstrates a clear relationship between individual performance and remuneration;
- d) design, formulate and recommend to the Board for its approval, and maintain under review, the remuneration packages for the Executive Directors 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;
- e) as and when the need arises, the Chief Human Capital Officer shall assist the Committee to review and link the remuneration of the Executive Directors especially performance-based remuneration, to the Executive Director's individual's performance and contribution to the Group; and
- f) review and enhance FGV Board Remunerations Policy and FGV Board Nomination and Election Policy and Procedures and recommend to the Board for approval.

7.1.10. Remuneration of the Executive Directors

- a) review and recommend to the Board, on an annual basis, the contractual and remuneration arrangements for the Executive Directors having regard to FGV Board Remunerations Policy and human resources policies on employees' remuneration, including:
 - (i) fixed remuneration levels and benefits and the salaries payable to Executive Directors may not include commission on or percentage of turnover; Practice 7.1 & 7.2, MCCG
 - (ii) short term incentives and long term incentives remuneration targets and outcomes (including performance targets); Practice 7.23, Listing Requirements
 - (iii) any termination payments to be made;
 - (iv) retention and sign-on rewards;
 - (v) the development of any equity based plan for the Executive Directors; and
 - (vi) any other forms of remuneration including allowances and any benefits payable to the Executive Directors including any compensation for loss of employment. Practice 7.23, Listing Requirements
- b) determine and agree with the Board an appropriate performance framework, endorse its application in setting performance targets for the remuneration of the Executive Directors;

- c) in formulating remuneration levels, the Committee must consider the assessment on the performance of the Executive Directors against such targets as well as benchmarking to market rate for benefits-in-kind, annual increments and bonus; and
- d) the Chief Human Capital Officer shall assist the Committee to formulate the remuneration levels of the Executive Directors and conduct appropriate benchmarking to market rate prior to determining any benefits payable to the Executive Directors 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 including the Non-Executive Chairman and Deputy Chairman ("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 be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- d) any increase in Directors' fees, allowances and any benefits payable to NEDs shall be subject 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,

Paragraph 7.24,
Listing Requirements

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

C. Key Management's nomination and election process

7.1.13. Employment Contracts

- a) review and recommend to the Board for the appointment of any Key Management including the internal appointment i.e. movement of position (to Key Management level), temporary appointment of "Officer in Charge" or "Acting" as per the prevailing Group LOA.
- b) review and recommend to the Board any changes in the position of the Key Management as per the prevailing Group LOA;

Paragraph 2.20A,
Listing Requirements

Practice 5.5,
MCCG

- c) review and recommend to the Board the extension or renewal of contracts of the Key Management as per the prevailing Group LOA 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 Key Management as per the prevailing Group LOA and any other person the Board determines subject to the provision of the laws and their service contracts.

7.1.14. Appointment process and its criteria

- a) develop, maintain and keep under review the criteria to be used in the appointment/recruitment process of the Key Management as per the prevailing Group LOA and recommend to the Board for its approval; and
- b) recommend to the Board for its approval, candidates for the Key Management as per the prevailing Group LOA based on objective criteria, merit and with due regard for diversity in skills, knowledge, experience, age, cultural background and gender.

Paragraph 2.20A,
Listing Requirements

Practice 5.5,
MCCG

7.1.15. Succession Planning

- a) review and oversee the development of a succession planning framework for the Group CEO and the Key Management.
- b) the Chief Human Capital Officer shall assist the Committee in ensuring that an appropriate succession planning framework, talent management and human capital development programme is in place for the Key Management positions; and
- c) the Committee shall be apprised of the progress of the above succession planning at least once a year.

Practice 1.1
& 5.8,
MCCG

D. Key Management Remuneration Matters

7.1.16. Policies related to remuneration

- a) 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;
- b) review and recommend to the Board for its approval, and maintain under review, the remuneration packages for the Key Management as per the prevailing Group LOA and ensure the remuneration level is sufficient to attract, retain and motivate high calibre individuals with the required qualification, skills, talent and experience. This review shall be facilitated by the Chief Human Capital Officer;
- c) consider the use of combination of remuneration types, e.g. performance share plans, long-term and short-term performance incentive, benefits-in-kind, etc.;

Practice 7.1
& 7.2,
MCCG

- d) design, formulate and recommend to the Board for its approval, and maintain under review, the remuneration packages for the Key Management as per the prevailing Group LOS. 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; and
- e) as and when the need arises, review and link the remuneration of the Key Management as per the prevailing Group LOA, especially performance-based remuneration, to the individual's performance and contribution to the Group.

7.1.17. Remuneration of the Group CEO

- a) review and recommend to the Board, 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 Chief Human Capital 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.

Practice 7.1
& 7.2,
MCCG

7.1.18. Remuneration of the Key Management

- a) review and recommend to the Board, the individual remuneration levels and remuneration arrangements for the Key Management

positions as per the prevailing Group LOA 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 Chief Human Capital Officer shall assist the Committee to formulate the remuneration levels of the Key Management as per the prevailing Group LOA and conduct appropriate benchmarking to market rate prior to determining the benefits, annual salary increments, bonuses, promotions, salary adjustments and promotion adjustments.

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

E. Employees Matters

7.1.20. Review and recommend to the Board, any new formation/changes to the Group's human resources policies as per the prevailing Group LOA.

7.1.21. Review periodically the remuneration framework, policies and procedures for employees of the Group taking into consideration the best practices, views of industry experts, obtaining and analysing the available data, stakeholders and the market at large and recommend to the Board for approval.

7.1.22. Review and if deemed appropriate, endorse for the Board's approval, the annual bonus and salary increment framework for the Group, as recommended by the Group CEO, including the total quantum of payment.

F. Reporting to the shareholders and relevant authorities

7.1.23. Review any reporting of matters to the shareholders and/or relevant authorities and other statements which are mandated by Bursa Malaysia including the Corporate Governance Report relating to nomination matters, remuneration matters and NRC's responsibilities and recommends to the Board for approval.

7.1.24. Review the relevant statements for inclusion in the Company's Annual Integrated Report, including the Corporate Governance Overview Statement, the Nomination and Remuneration Committee Report and

other statements which are mandated by Bursa Malaysia relating to nomination matters, remuneration matters and NRC's responsibilities and recommends to the Board for approval.

G. Other Responsibilities and Duties

7.1.25. Review and recommend to the Board on any changes to the Group's organization structure that involves Key Management for approval and shall take into account the Group's equity structure and the impact to the statutory financial reporting.

7.1.26. The Committee may be required to conduct legal and other background searches, check references, conduct formal or informal interview and consult selected third party sources on a confidential basis before making its final recommendations.

7.2. The Committee shall undertake any such other functions as may be determined by the Board from time to time.

8. RELATIONSHIP WITH LISTED SUBSIDIARIES' NOMINATION COMMITTEES

8.1. NRC delegates the functions under its Terms of Reference, in respect of its 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. 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, 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; and

9.1.3. the Chairman of the Committee updating the Board on the activities undertaken by the NRC.

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. The Committee shall be responsible in ensuring that:

9.3.1. the Company discloses in its Annual Integrated Report and/or its corporate website and/or Corporate Governance Report:

- a) relevant statements/ information relating to the remuneration of Directors and Group Chief Executive Officer (including the remuneration for services rendered to the Company and the Group) for the financial year on a named basis, stating the amount received or to be received from the Company and the Group respectively, as required by the Listing Requirements and MCGG. The disclosure must include the amount in each component of the remuneration (e.g. Directors' fees, salaries, percentages, bonuses, commission, compensation for loss of office, benefits in kind based on an estimated money value) for each Director; and
- b) relevant statements/information relating to the remuneration of Top Management (including the top 5 remuneration component e.g. salary, bonus, benefits in-kind and other emoluments in bands of RM50,000 for services rendered to the Company and the Group, for the financial year, on a named basis) as required by the MCGG;

Paragraph A(11),
Appendix 9C
Listing Requirements

Practice 8.1,
MCGG

Practice 8.2,
MCGG

9.3.2. the Company discloses in its corporate website the summary on remuneration policies of Directors and Senior Management as required by the MCGG;

Practice 7.1,
MCGG

9.3.3. the Company discloses in its Annual Integrated Report and/or Corporate Governance Report:

- a) a statement on the activities of the NRC in the discharge of its duties for the financial year, pursuant to the Listing Requirements, which include how the requirements set out in Paragraph 2.20A of the Listing Requirements are met and contain the following information:
 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;
 2. the Board nomination and election process of Directors and criteria used by the NRC in the selection process;
 3. the annual Board Effectiveness Assessment undertaken by the NRC together with the criteria used for such assessment;

Paragraph 2.20A &
15.08A (3)
Listing Requirements

15.08A (3) (a)
Listing Requirements

15.08A (3) (b)
Listing Requirements

15.08A (3) (c)
Listing Requirements

Paragraph 5.5, 5.6 & 5.7,
MCGG

- b) relevant relevant statements/information relating to nomination matters, remuneration matters and NRC's responsibilities as required by the MCGG; and
- c) a statement on the trainings attended by Directors for the financial year as required by the Listing Requirements and MCGG which includes the following information:
 - 1. the Board has undertaken an assessment of the training needs of each Director;
 - 2. a brief description on the type of training that the Directors have attended for the financial year; and
 - 3. in exceptional in exceptional circumstances where any Director has not attended any training during the financial year, valid justifications for the non-attendance of such Director.

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. In addition to the regular scheduled meetings, the Chairman of the Committee or any members of the Committee may call for meetings as and when required.
- 10.1.3. The Committee meetings shall normally be conducted in a face-to-face manner to enable effective discussion. The Committee meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the Committee. For face-to-face Committee meetings, if a member of the Committee is unable to be physically present, the member may choose to participate via telephone conferencing, video conferencing or other appropriate means as determined by the Committee.
- 10.1.4. All resolutions of the members of the Committee at a meeting or adjourned meeting shall be adopted by a majority of votes of all the Committee members present. In the case of an equality of votes, the Chairman of the Committee shall have a second or casting vote.

- 10.1.5. In the event matters requiring the Committee's decision arise between Committee meetings, the Committee may if deemed appropriate, consider and approve and/or recommend such matters through circular resolution in writing, in lieu of formally convening a meeting, which shall be supported by relevant papers, documents and information setting out details of the subject matter. The members of the Committee may obtain more information from management and express their views by facsimile, electronic mail or any other means of telecommunication before arriving at a decision on the subject matter. The circular resolution shall be as valid and effectual as if it has been passed by a meeting of the Committee duly convened. Approval of the NRC obtained by a NRC circular resolution must be signed or approved by all NRC members subject to para 10.1.7 of this Terms of Reference. All such circular resolutions shall be submitted for confirmation at a meeting of the Committee following the passing of the circular resolutions.
- 10.1.6. The Group CEO and Chief Human Capital Officer of FGV shall be permanent invitees of the Committee meetings. Other Directors of the Board, other management or executives of the Group, external parties and/or any party may be invited to attend the Committee meetings as the Chairman of the Committee and members of the Committee think fit.
- 10.1.7. Any member and invited participants with conflicting interest shall abstain from discussion and participating in decisions or voting of the related matter. The Committee member and/or invited participants shall excuse himself/herself from the Committee meeting during discussions or deliberations of any matter which he/she has interest in or which may give rise to an actual or perceived conflict of interest situation for him/her.
- 10.1.8. 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 these individuals concerned.
- 10.2. Notice and agenda
- 10.2.1. The Secretary of the Committee shall issue and circulate the notice of the NRC meeting confirming the venue, time and date to NRC members at least five (5) business days before each meeting to the Committee members and all those who are required to attend the Committee meeting. Any issuance of notice of a meeting shall be in writing and shall be given either in hard copy or in electronic form or partly in hard copy and partly in electronic form.

10.2.2. The Chairman of the Committee shall ensure that proper agenda is prepared for the Committee meeting. The Secretary of the Committee shall draw up the meeting agenda in consultation with the Chairman of the Committee. The NRC meeting agendas shall be the responsibility of the Chairman. The Chairman may also consult other members of the Committee and management, if necessary.

Practice 1.6,
MCCG

10.2.3. 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.

10.3. Minutes of the meeting

10.3.1. Upon conclusion of the meeting, the minutes will be circulated in a timely manner. The discussions and conclusions of the Committee meetings shall be minuted, in a clear, accurate (reflect the deliberations and decisions including any dissenting views), consistent and complete.

Practice 1.6,
MCCG

10.3.2. The minutes shall also record if any of the Committee member or invited participants had abstained from voting or deliberating on a particular matter.

10.3.3. Upon conclusion of the meeting, draft of the minutes of meeting shall be:

- a) distributed to all members of the Committee or the relevant sections of the said draft may be provided to management and relevant invited participants, to ensure proper key actions/directions given are acted upon; and
- b) upon confirmation on the accuracy of the draft minutes by the Committee members/management, the draft minutes shall be tabled at the following meeting for confirmation and signing.

Minutes shall be endorsed by the Chairman of the next succeeding meeting.

10.3.4. The minutes shall be entered into the minutes Register kept by the Company Secretary together with the attendance sheet.

10.3.5. Keeping of the minutes must comply with the requirements of the relevant law and regulations.

10.3.6. Reproduction or inspection of any part of the minutes can only be performed through/by the 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.

Practice 6.1,
MCCG

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 shall work diligently amongst the members of the Board 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.

13. REVIEW OF TERMS OF REFERENCE

- 13.1. The Committee's Terms of Reference and work plans shall be reviewed periodically, as and when required, especially when there are changes to the Listing Requirements and the MCCG, or at least once every two (2) years.
- 13.2. All amendments to the Terms of References of the Committee must be approved by the Board.