



**Nomination and Remuneration Committee (“NRC”)**

**Terms of Reference (“TOR”)**



**NOMINATION AND REMUNERATION COMMITTEE (“NRC”)  
TERMS OF REFERENCE (“TOR”)**

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## NOMINATION AND REMUNERATION COMMITTEE (“NRC”) TERMS OF REFERENCE (“TOR”)

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### A. PURPOSE

1. The Nomination and Remuneration Committee (“NRC” or the “Committee”) of PR1MA Corporation Malaysia (“PR1MA” or the “Corporation”) is established pursuant to Perumahan Rakyat 1Malaysia Act 2012 (“PR1MA Act 2012”).
2. The NRC, appointed and established by the Corporation, shall assist the Members of Corporation (“MoC” or “Members”) to fulfil its duties and responsibilities in relation to the following areas:
  - (a) to oversee the effectiveness and overall composition of all the Corporation committees in terms of the appropriate size / skills and the balance between Executive, Government and Independent Members;
  - (b) to establish and recommend a framework of remuneration packages and its terms of benefits for MoCs, its respective committees and subsidiaries. Where necessary, the proposed framework will require the Prime Minister’s final approval;
  - (c) to assess and recommend remuneration package of the Group Chief Executive Officer (“GCEO”) for MoC’s endorsement and Prime Minister’s final approval;
  - (d) to assess and recommend nominees for the appointment and re-appointment of MoC, GCEO, Corporation committee members and directors of its major subsidiaries. Where necessary, the proposed appointment and re-appointment will require the Prime Minister’s final approval;
  - (e) to assess and approve appointment and reappointment, resignation and termination of subsidiary board committees;
  - (f) to assess, evaluate, and approve the appointment and / or re-appointments (including the remuneration packages) of PR1MA’s Group Chief Operating Officer (“GCOO”) and Directors (including Group Chief Financial Officer (“GCFO”), Group Chief Marketing Officer (“GCMO”) and etc;



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*Note: The GCEO is given the authority to evaluate, identify, negotiate and recommend the candidates and its remuneration packages.*

- (g) to evaluate and recommend the removal of the GCEO or any of the MoC or its committee members or its subsidiary directors if he / she is ineffective, errant or negligent in discharging his / her responsibilities. Where necessary, the final decision to revoke the relevant appointment is in the hand of the Prime Minister;
- (h) to assess and approve the appointment and reappointment, removal and termination of subsidiary CEO;
- (i) to assess and recommend the performance evaluation and Corporate KPI setting of the GCEO before submission to the MoC for its approval. For GCEO individual KPI setting NRC will be the approver;
- (j) to assess and approve the promotion of GCOO, Directors (including GCFO, GCMO and etc) and subsidiary CEO upon the GCEO’s recommendation of each of them;
- (k) to assess and recommend policies and procedures governing the Terms of Services (which include salary structure) for the employees of PR1MA for MoC’s approval. The proposed Terms of Services will require the final approval of Minister-in-Charge as prescribed under Section 27 of PR1MA Act 2012;
- (l) to assess and approve policies and procedures governing the benefits (cash and non-cash items) for the employees of PR1MA as prescribed under Section 28 of PR1MA Act 2012;
- (m) to assess and approve the reward plans (which includes bonus pay-out and incentive plans) for the GCEO based on his individual and corporate KPIs;
- (n) to assess and approve the reward plans (which includes bonus pay-out and incentive plans) for the GCOO, Directors (including GCFO, GCMO and etc) and subsidiary CEO based on their individual KPI rating;



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- (o) to assess and approve the employees’ reward plans (which includes annual increment, bonus pay-out and incentive plans). This is also applicable to the employees of subsidiaries;
- (p) to assess, recommend and / or approve all policies and procedures pertaining to employees’ remuneration and benefits as well as other human resources policies and procedures from time to time;
- (q) to review and recommend retrenchment exercise and mutual separation scheme for MoC final approval;
- (r) to assess and recommend appointment and removal of Company Secretary for corporation and its subsidiary; and
- (s) to undertake such other responsibilities as may be agreed to by the Committee and the MoC.

The existence of the Committee does not diminish the Member’s ultimate responsibility for decision-making relating to the role of the Committee.

### **B. MEMBERSHIP**

1. The members of NRC shall be appointed by the Corporation and consist of not less than three (3) members but not more than five (5) members at any time.
2. The Corporation may, at any time revoke the appointment of any members of the NRC.
3. Members of NRC may resign by giving notice in writing to the Chairman of the Committee and the Corporation.

### **C. AUTHORITY**

1. NRC shall have the authority to make recommendation or decision depending on the duties and responsibilities stated herein.



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2. NRC is authorised by the Corporation to select, engage and obtain, at the cost of the Corporation, professional advice and secure its attendance in order for the NRC to carry out its duties.
3. NRC shall have free and unrestricted access to information, records, properties and employees of the Corporation in carrying out its duties and responsibilities.
4. NRC is authorised to undertake any activities within its Terms of Reference.

*Section 14(8) of PR1MA Act 2012 provides for NRC to act under any discretion given by the Corporation.*

### **D. CHAIRMAN OF THE COMMITTEE**

The Corporation shall appoint the Chairman of NRC (the “Chairman”), from any members of the MoC or any other person approved by the Minister-in-Charge.

### **E. QUORUM**

1. The quorum of NRC meeting shall be at least three (3).
2. In the absence of the Chairman of NRC, the members present shall elect a chairman for the meeting from amongst the members present provided always that the appointed member is an MOC.

### **F. COMMITTEE SECRETARY**

1. The Corporation Secretary and / or the Representative(s) Human Resource shall be the Secretary of NRC (“Committee Secretary” or “CS”) or any appointed person(s) by the Chairman of the committee.
2. The CS shall be present to record proceedings of NRC meetings.

### **G. FREQUENCY OF MEETINGS**

1. The NRC shall meet at least once (1) a year or at such times as the Chairman of NRC or the Corporation deemed necessary.



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2. The Chairman of NRC shall call a meeting of the NRC if so requested by any of its member or by the Corporation or by the GCEO. The CS shall then summon a meeting upon the instruction given by the Chairman of NRC or the GCEO.

### **H. NOTICE OF MEETING**

The notice of meeting together with the agenda and the relevant papers, shall be circulated to each member of the NRC at least three (3) days prior to each NRC meeting.

### **I. RESOLUTION AND DECISION**

1. A resolution in writing signed by all NRC members shall be deemed as a resolution passed during a meeting duly convened. The resolution in writing may be signed in counterparts and together shall constitute one and the same instrument.
2. All NRC’s decision shall be made by way of simple majority. In the event of a deadlock, the Chairman of NRC shall have a casting vote.

### **J. ATTENDANCE**

The Chairman of NRC may invite any person or persons to attend the Committee meetings, but not necessarily for the full duration of the meeting.

### **K. MINUTES OF MEETING**

1. The CS shall record the proceeding of meetings and keep the minutes of meetings appropriately.
2. The Chairman of NRC shall confirm the minutes of all NRC meetings and the CS shall thereafter cause the respective minutes to be entered in the record books for safekeeping.
3. The approved and signed NRC minutes shall be tabled at the earliest Corporation meeting for notification.



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### **L. COMMITTEE’S PERFORMANCE**

On an annual basis, the Corporation may evaluate the NRC’s performance and extent to which the NRC has met the requirement of its Terms of Reference.

### **M. COMMITTEE ETHICS AND PROCEDURES**

1. All NRC members shall safeguard all communications on personal information as confidential and restricted, and use for the purpose of NRC matters only.
2. The NRC members may consult selected third party sources on confidential basis before making its final recommendations or decision.

### **N. REVIEW OF THE COMMITTEE AND THE TERMS OF REFERENCE**

The Terms of Reference may be reviewed by the NRC on yearly basis. All amendments to the Terms of Reference must be approved by the Corporation.

Section 14 (9) of PR1MA Act 2012 provides for the discontinuation and the alteration of constitution of the Committee. Discontinuation or any alteration of constitution of the Committee shall be at the discretion of the Corporation.

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