



**TH PLANTATIONS BERHAD**  
**(Registration No. 197201001069 (12696-M))**

**TERMS OF REFERENCE OF  
NOMINATION AND REMUNERATION COMMITTEE**

*Revised on 29/3/2023*



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## 1. **INTRODUCTION**

This Nomination and Remuneration Committee's Term of Reference ("NRC TOR") sets out the requirements of the Board of Directors of TH Plantations Berhad ("Board") towards the roles and responsibilities of the members of the NRC.

Unless otherwise stated, the following definitions apply throughout this NRC TOR:

Board	:	refers to the Board of Directors of THP
CEO	:	the Chief Executive Officer of THP
Group or THP Group	:	refers to THP and its subsidiaries
Management	:	refers to the Management of THP
MCCG	:	refers to the Malaysian Code on Corporate Governance 2021 issued by the Securities Commission Malaysia
MMLR	:	refers to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
NRC or the Committee	:	refers to the Nomination and Remuneration Committee
THP or the Company	:	refers to TH Plantations Berhad

This NRC TOR is established pursuant to the MMLR and the MCCG and has been approved by the THP Board and is made available on the Company's corporate website.



## **2. COMPOSITION AND MEMBERSHIP**

- 2.1 The members of the Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of at least three (3) members.
- 2.2 The members of the Committee shall comprise exclusively of Non-Executive Directors a majority of whom are Independent Directors.
- 2.3 The Chairman of the Committee shall be appointed by the Board and must be an Independent Non-Executive Director.
- 2.4 No Alternate Director shall be appointed as a member of the Committee and the Chairman of the Board shall not be a member or Chairman of the Committee.
- 2.5 All members of the Committee shall hold office so long as they serve as Directors of THP.

## **3. QUORUM**

To form a quorum for the NRC 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 must be Independent Non-Executive Directors.

## **4. SECRETARY**

The Company Secretary of THP shall act as the Secretary of the NRC.



## **5. MEETING AND MINUTES**

### **5.1 Frequency and Attendance**

- a. The Committee shall meet at least once a year and at such other times as the Chairman of the Committee deems necessary.
- b. In the absence of the Chairman of the Committee, the remaining members present shall elect one of their members as Chairman of the meeting.
- c. The CEO shall be a permanent invitee to the NRC meeting. Other members of the Board, Management of the Company, external parties and/or any party may be invited to attend the NRC meeting as the Chairman deems think fit.

### **5.2 Notice and Agenda**

- a. The Secretary shall issue and circulate the notice of the NRC meeting confirming the venue, time and date to the NRC members at least seven (7) days before the meeting.
- b. The Secretary, with the concurrence of the Chairman, shall draw up and circulate to the NRC members the meeting agenda including the relevant meeting papers at least five (5) days before the meeting.

### **5.3 Mode of Meeting**

The NRC meeting shall be conducted in a face-to-face manner to enable effective discussion. However, the NRC meeting may also be conducted via telephone conferencing, video conferencing or any other appropriate means as determined by the Committee.



#### 5.4 Voting

- a. All resolutions of the Committee shall be adopted by a simple majority vote with each member having one vote.
- b. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.

#### 5.5 Minutes of Meeting

- a. The Secretary shall record the proceedings of the NRC meetings.
- b. The decisions and conclusions of the NRC meeting shall be minuted in a clear, accurate (reflect the deliberations and decisions including any dissenting views), consistent and complete manner.
- c. Minutes of each meeting shall be distributed to the NRC members and shall be confirmed by the Chairman of the Committee at the next succeeding meeting.
- d. Minutes of the NRC meeting, duly signed by the Chairman of NRC shall be entered into the Minutes Book kept by the Secretary at the registered office.

### **6. ROLE AND RESPONSIBILITY**

The roles and responsibilities of the Committee shall include but are not limited to the following:

#### 6.1 Nomination

- a. To review annually the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and Board Committees and make recommendations to the Board on any changes that are deemed necessary;
- b. To identify and recommend to the Board suitable candidates to act as directors of the Company;
- c. To evaluate and recommend to the Board, directors to fill the seats on the Board Committees;



- d. To assess directors on an annual basis, the effectiveness of the Board and the Board Committees as well as the contribution of each individual director;
- e. To consider, review and recommend to the Board, candidates to act as THP Nominee Director in the Boards of the subsidiaries of THP;
- f. To consider, in making its recommendations, candidates for directorships who are proposed by the CEO and within the bounds of practicability by the Management or director or shareholder;
- g. To review and recommend to the Board the appointment and/or the extension of contracts of the CEO and/or the Executive Director, if any;
- h. To recommend to the Board the re-appointment, re-election and retirement of directors of the Company and its subsidiaries;
- i. To orientate and educate new directors on the nature of the business, corporate strategy and expectations of the Company and the directors general responsibilities;
- j. To review and recommend promotions, extension of contracts, creation of new post for the THP Group and all other related matters with regards to the Senior Management of the Company and its Group i.e. the Chief Executive Officer, Chief Financial Officer, Plantation Director, Company Secretary, Head of Human Capital, Head of Marketing and all General Manager and above;
- k. To develop, maintain and review the criteria to be used in the appointment/recruitment process of the Board and the Board Committees and recommend to the Board for approval;
- l. To develop, maintain and review the criteria process used in the annual Board Evaluation Assessment (i.e. assessment of the Board and the Board Committees and individual directors including an assessment of the Independent Director);
- m. To review and recommend to the Board any matters relating to the continuation in office including the suspension or termination of service of the CEO and/or Executive Director, Senior Management of THP and Group subject to the provisions of the laws and their contract of service, if applicable.



## 6.2 Remuneration

- a. To design, formulate and recommend to the Board for approval the remuneration packages for the directors of THP and its subsidiaries and the Board Committees as well as for the CEO and/or Executive Director and the Senior Management of THP (hereinafter referred as the *Remuneration Policy & Procedures for Directors and Senior Management*) to ensure the remuneration package is sufficient to attract, retain and motivate high calibre individuals with the required qualifications, skills, talent and experience in the THP Board and its subsidiaries, Board Committees and as Senior Management of THP;
- b. To assess and recommend to the Board the annual monthly directors' fee and benefits in kind such as meeting allowance, medical expenses, insurance coverage and any other benefits, if any, for the Non-Executive Directors of THP;
- c. To assess and recommend to the Board the monthly directors' fee and benefits in kind such as meeting allowance, medical expenses, insurance coverage and any other benefits, if any for the directors on the Boards of the THP subsidiaries;
- d. To assess and recommend to the Board the remuneration package and bonus for the CEO and/or Executive Director, based on the Company's Scheme of Service;
- e. To assess and recommend to the Board the remuneration package and bonus for the Chief Financial Officer, Plantation Director, Head of Departments and General Manager and above based on the Company's Scheme of Service;
- f. To recommend to the Board any review of the Company's Scheme of Service, whenever deemed necessary and appropriate;
- g. To review and if deemed appropriate, endorse for the Board's approval, the annual bonus and salary increment for the THP Group, as recommended by the CEO, including the total quantum of payment; and
- h. To review periodically the remuneration framework, policies and procedures of the THP Group taking into consideration best practice, views of industry experts, stakeholders and market at large and recommend to the Board for approval.





### 6.3 Reporting to the Shareholder and Relevant Authority

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

### 6.4 Other Responsibilities and Duties

- a. To review and oversee the succession planning framework for the Senior Management;
- b. To review and recommend to the Board for approval of any changes to the THP Group's organizational structure; and
- c. To conduct background search, check references, formal or informal interviews and consult independent party opinion before making its final recommendation to the Board.

6.5 Such other functions as may be delegated by the Board from time to time.

## **7. STRUCTURE AND PROCEDURES**

7.1 The final decision as to who shall be appointed to the Board, the Board Committees and the Boards of THP subsidiaries shall be the responsibility of the Board after considering the recommendations by the Committee.

7.2 The CEO and/or the Executive Director do not participate in discussions pertaining to his own remuneration.

7.3 The determination of the Non-Executive Directors' remuneration is decided by the Board with individual Director abstaining from discussing his or her own remuneration.

7.4 Any increase in Directors' fees, allowances and any benefits payable to the Non-Executive Directors, including the Non-Executive Chairman shall be subject to a resolution to be passed at a general meeting.



## **8. CIRCULAR RESOLUTION**

- 8.1 The decision of the NRC may be passed by way of a Circular Resolution and shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
- 8.2 Approval of the NRC obtained by a Circular Resolution must be signed by a majority of the NRC Members which shall consist of the signatures of at least two (2) Independent Non-Executive Directors.
- 8.3 The NRC Circular Resolution may be approved via electronic means such as email to be subsequently supported by a signed and valid circular resolution.
- 8.4 The NRC Circular Resolution may consist of several documents in like forms (signed in counterparts), each signed by one or more members of the Committee.

## **9. ACCESS TO ADVICE**

In the furtherance of their duties as NRC members, there shall be an agreed procedure for the members, whether as a full committee or in their individual capacity, to take independent professional advice at the Company's expense, if necessary.

## **10. CONFIDENTIALITY**

All members of the NRC shall safeguard all internal communications and treat them as strictly private and confidential.

## **11. REVIEW OF TERMS OF REFERENCE**

The NRC TOR shall be reviewed periodically, as and when required, especially when there are changes to the MMLR and the MCCG, or at least once every two (2) years. All amendments to the NRC TOR shall be approved by the Committee prior to obtaining a further approval from the Board.