



Board Nomination & Remuneration Committee

Terms of Reference

Revised on 12 November 2024

1.0 PURPOSE

- 1.1 The Board Nomination & Remuneration Committee (“BNRC”) supports the Board in overseeing the nomination and appointment process for Director and Senior Management, evaluating the performance of the Board and its Committees, and reviewing and recommending the adoption of an appropriate remuneration policy and framework for the Board and Senior Management.

2.0 COMPOSITION

- 2.1 The BNRC shall be appointed by the Board amongst its non-executive directors and shall consist of not less than three (3) members, with the majority comprising Independent Directors. The Chairman of the Board shall not be a member of the BNRC.
- 2.2 In the event of any vacancy in the BNRC where membership falls below three (3), the vacancy must be filled within three (3) months or within such extension period approved by the Board.
- 2.3 No Alternate Director of the Board can be appointed as a member of the BNRC. The appointment of a Committee member shall automatically be terminated if the member ceases to be a director for any reason whatsoever or as determined by the Board.
- 2.4 If a member is unable to attend any meeting, the Committee Chairman/Elected Chairman of the BNRC may invite another Independent Non-Executive Director (“INED”) of the Company to attend the meeting, and such invited INED shall have the rights and authorities of a BNRC member.

3.0 CHAIRMAN

- 3.1 The Board shall appoint a Chairman of the BNRC from among the BNRC members who must be an INED.

- 3.2. Should the Chairman be absent from any meeting, one (1) of the members who is an INED shall be elected as Chairman (“Elected Chairman”) by the BNRC members present at the meeting.

4.0 SECRETARY

- 4.1. The Secretary to the BNRC shall be the Company Secretary(ies) of MHB.
- 4.2. The Secretary shall prepare the agenda of the BNRC meeting in consultation with the Managing Director & Chief Executive Officer (“MD & CEO”) and the Chairman of the Committee.

5.0 MEETINGS

5.1. Frequency of Meeting

- 5.1.1. The BNRC shall meet not less than twice a year and additional meetings may be held as and when required.
- 5.1.2. The MD & CEO, the Chief Financial Officer and the Chief Operating Officer shall normally attend the meetings. Attendance of other Directors, employees or other attendees at any BNRC meeting shall be at the discretion of the BNRC Chairman/Elected Chairman, specific to the relevant meeting.

5.2 Quorum

- 5.2.1. The quorum for each meeting shall be two (2) members, with one (1) of them being an Independent Director.

5.3 Meeting Proceeding and Minutes

- 5.3.1. The notice and agenda of each meeting shall be sent by the Secretary of the Committee to all members of the BNRC and any other persons that may be required to attend.

- 5.3.2. Each member of the BNRC is entitled to one (1) vote in deciding the matters deliberated in the meeting. The decision that gained the majority votes shall be the decision of the BNRC. In the event of an equality of votes, the Chairman of the BNRC shall be entitled to a second or casting vote.
- 5.3.3. The proceedings of the BNRC meetings shall be recorded and maintained by the Secretary of the Committee or a person appointed by the BNRC. Minutes of each meeting shall be distributed to each member of the BNRC and be tabled to the Board for information. The BNRC shall report and may make such recommendations to the Board on matters within the powers vested in it by the Board, as it may think fit.
- 5.3.4. A member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

6.0 CIRCULAR RESOLUTIONS

- 6.1. A resolution in writing signed by all BNRC members who are eligible to vote shall be as valid as if it were passed at a properly held meeting. These resolutions are called "Board Nomination & Remuneration Committee's Circular Resolutions" and can be made up of several documents in the like form. The signed resolutions must be promptly sent to the Secretary, who will record them in the Company's minutes book. A BNRC resolution in writing, signed and transmitted by facsimile or any electronic means shall be deemed to be original.

7.0 AUTHORITY

- 7.1 The BNRC is empowered by the Board with the following authority to execute any matters within its terms of reference ("TOR") at the cost to be borne by MHB:

- 7.1.1. Full and unrestricted access to resources and information which are required to perform its functions. This includes authority to seek information from any employees of the Group. Employees subjected to such request may be directed by the BNRC to co-operate with the request.
- 7.1.2. Right to obtain independent professional advice or other advice. The BNRC may also invite external independent professionals to its meetings if it deems necessary; and
- 7.1.3. Right to review its TOR and to recommend amendments, revisions and updates thereto, where necessary in line with changes to the relevant laws, the prevailing corporate governance best practices or other regulatory requirements, to the Board for approval.

8.0 FUNCTIONS

The BNRC's functions are to review, evaluate, report and make appropriate recommendations to the Board on the following matters:

8.1 Nomination Matters

- 8.1.1 The BNRC's primary responsibility is to ensure that the Company has a robust framework for the selection, appointment, succession planning and development of Directors and Senior Management.
- 8.1.2 The BNRC proposes, considers and recommends to the Board, suitable candidates for appointment as Directors and/or Senior Management in the Company by considering the following factors:
 - skills, knowledge, expertise and experience;
 - professionalism;
 - integrity;
 - diversity and inclusivity;

- fit and properness; and
- in the case of candidates for the position of Senior INED and/or INED, the BNRC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from them.

8.1.3 The BNRC recommends directors' candidates proposed by the Chairman and/or the MD & CEO of the Company, by any other senior executive or any Director or major shareholder or independent sources, as far as practicable.

8.1.4 The BNRC recommends to the Board, Directors to fill the seats on Board Committees.

8.1.5 The BNRC establishes and annually reviews the performance criteria or Key Performance Indicators ("KPI") of the Board and the MD & CEO, and the evaluation thereof against the KPIs.

8.1.6 The BNRC reviews the term of office and performance of the Board Audit Committee ("BAC") and each of its members annually to determine whether the BAC and each of its members have carried out their duties in accordance with its TOR.

8.1.7 The BNRC reviews and implements sound Succession Planning of the Board, and of the MD & CEO, and the Senior Management, including any development plans of the MD & CEO and Senior Management.

8.1.8 The BNRC's other duties and responsibilities are as follows:

- a) To make appropriate recommendations to the Board on matters of renewal or extension of Directors' appointment and reappointment of retiring Directors in line with the requirements as prescribed in the MMLR, MCCG or any other regulatory requirements.

- b) To make appropriate recommendations to the Board for the appointment or renewal of contracts of employment of the MD & CEO and/or Senior Management of the Company.
- c) To annually review the Board's required mix of skills and experience and other qualities, including core competencies that NEDs should bring to the Board.
- d) To implement a process for assessing the effectiveness of the Board as a whole, the Board Committees and also the contribution of each individual Director to the effective decision making of the Board, through an evaluation process. All assessments and evaluations carried out by the BNRC in the discharge of all its functions should be properly documented.
- e) To review the training needs and recommend suitable development programmes for the Directors.

8.2 Remuneration Matters

8.2.1 The BNRC's primary responsibility is to consider and recommend to the Board and to support the Board's responsibility in respect of remuneration policy and framework for Directors and Senior Management of the Company as follows:

- a) To review and recommend to the Board the adoption of an appropriate remuneration policies and packages of the Non-Executive Directors that reflect the demands, complexities, performances, skills and experiences required, as well as the performance of the Company.
- b) To ensure the detailed remuneration received by each Directors from MHB and MHB Group, be disclosed in the Company's annual report on a named basis.

- c) To review and recommend to the Board the terms and conditions of service, remuneration, compensation and benefits package (including bonus and salary increment) of the Executive Directors and MD & CEO of the Company.
- d) To review and recommend to the Board the terms and conditions of service, remuneration, compensation and benefits package (including bonus and salary increment) of the Senior Management of the Company.
- e) To recommend to the Board the annual bonus and salary increment framework/quantum for the Group of Companies.

8.3 General Duties

- 8.3.1 Review and recommend relevant statements relating to nomination and remuneration matters for inclusion in the Company's Integrated Annual Report, for the Board's approval.
- 8.3.2 Undertake such other functions as may be determined by the Board from time to time.

REVISION LOG

Version number	Details of Changes		Approval date
	Section ref.	Description of changes	
1.0	All	Establishment of Nomination Committee	July 2010
2.0	All	Merge the Nomination Committee and Remuneration Committee	5 Feb 2013
3.0	All	Change of Version	3 Dec 2015
4.0	All	Change of Version	30 Oct 2017
5.0	All	Change of Version	16 Aug 2022
6.0	All	Change of Version	12 Nov 2024