
	TERMS OF REFERENCE: REMUNERATION COMMITTEE	Revision: 03
		Effective Date: June 18, 2021

Revision No	Revision History	Date
01	The TOR had been approved at 252 nd Board Meeting of MNRB Holdings Berhad	August 23, 2017
02	The TOR had been approved at 278 th Board Meeting of MNRB Holdings Berhad	February 27, 2020
03	The TOR had been approved by the Board vide DWR 4/2021	June 18, 2021

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1.0 Mandate

Pursuant to MNRB's Constitution, the Board of Directors ("Board") may delegate any of its powers to committees, consisting of such member or members of the Board as it thinks fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.

2.0 Objectives

2.1 In line with the mandate, the Remuneration Committee ("RC") is formed with the objectives to assist the Board on the following:-

2.1.1 Non-Executive Directors ("NED") and Group Shariah Committee ("GSC") members


- (a) To recommend to the Board on the remuneration and entitlement of the NEDs, including the Non-Executive Chairman and the GSC members. Such remuneration and entitlement shall be a matter to be decided by the Board as a whole.

The level of remuneration shall reflect the level of responsibilities undertaken by a particular NED in the various Board Committees.

- (b) In considering the appropriate remuneration and entitlement of the NEDs and GSC members, the RC shall take into consideration the need to attract, retain and motivate individuals of the necessary calibre.

2.1.2 Board Appointments

- (i) Establish a Framework of Policies for the remuneration package of Board Appointments and Key Risk Takers (where applicable) for recommendation to the Board;

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("Board Appointments" shall include any post created by the Board, including those appointed under E11 and above and positions named by relevant Regulator to be sanctioned by the Board).

For avoidance of doubt, the positions named by relevant Regulator to be sanctioned by the Board include, but are not exhaustive, the following:-

- (a) Appointed Actuary;*
- (b) Group Chief Risk Officer;*
- (c) Compliance Officer;*
- (d) Company Secretary;*
- (e) Group Chief Internal Auditor; and*
- (f) Any other positions that the Regulator may from time to time specify.*

In this role, the RC shall seek to ensure fair remuneration to the Board Appointments, which, while set in the context of what the Company can reasonably afford, recognises the following principles:

- a) That Board Appointments receive compensation which are appropriate to their scale of responsibilities taking into account the demands, complexities and performance of the Company as well as skills and experience required;
 - b) That performance targets are established to achieve alignment with the interests of shareholders of the Company, with an appropriate balance between long and short term objectives; and
 - c) The need to attract, motivate and retain Board Appointments of the necessary calibre to run the Company successfully.
- (ii) Make recommendations to the Board on all elements of the remuneration, terms of employment, reward structure and fringe benefits for Board Appointments.

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- (iii) Assist the Board in reviewing the key performance indicators (“KPI”), performance, compensation and remuneration packages of Board Appointments, and to make the appropriate recommendation to the Board.

3.0 Composition of RC


- 3.1 The members of the RC shall be appointed by the Board comprising at least three (3) non-executive directors, a majority of whom must be independent.
- 3.2 Where the members for any reason are reduced to less than three (3) the Board shall within six (6) months of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.
- 3.3 The Chairman of the RC shall be an Independent Non-Executive Director appointed by the Board amongst the members of the RC.

In the absence of the Chairman, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these Terms of Reference to be appointed by the Board.

- 3.4 The Chairman of the Board shall not be the Chairman and member of the RC.
- 3.5 In order to avoid conflict of interest, a member of the RC shall abstain from participating in discussions and decisions on matters directly involving himself/herself.

4.0 Secretary

The Secretary to the RC shall be the Company Secretary of the Company.

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5.0 Duties and Responsibilities

The duties and responsibilities of the RC are as follows:-

- 5.1 review and recommend to the Board the remuneration (e.g. directors' fees, salaries, percentages, bonuses, commission, compensation for loss office and benefits in kind on an estimated money value) of each director of the Board and GSC members.
- 5.2 review and recommend to the Board for shareholder's approval at the Annual General Meeting the remuneration of all Directors of the listed company (*including the remuneration for services rendered to the listed company as a group) for the financial year on a named basis, stating the amount received or to be received from the listed company and on a group basis respectively.

**Under the Listing Requirements for Listed Companies.*

- 5.3 review the Disclosure of Directors' remuneration in the Company's Annual Report on a named basis, stating the amount received from the listed company and on a group basis respectively.
- 5.4 review the remuneration policies and procedures to attract and retain Directors, Board Appointments and employees.
- 5.5 review and recommend to the Board the remuneration, performance and rewards of Board Appointments.
- 5.6 review and recommend to the Board the terms & conditions of the Contract of Service of the President & GCEO and Board Appointments.
- 5.7 review and recommend to the Board the setting and achievement of the Corporate Balanced Scorecard.

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5.8 review and recommend to the Board any changes to the Scheme of Service for Executives and Collective Agreement for Non-Executives.

5.9 recommend market adjustment, promotion increment and adjustment for Board Appointments to the Board.

5.10 examine and review such other matters referred by the Board to the RC.

6.0 Authority

6.1 The Board has established the RC with the authorities necessary to perform the duties set out in this Terms of Reference.

6.2 The RC, within the scope of its assigned duties, is authorised to seek any information it requires from any employees in order to perform its duties.


6.3 The RC is also authorised by the Board to obtain, at the Company's expense, external legal or other professional advice on any matters within its Terms of Reference.

6.4 The RC shall have access to sufficient resources to carry out its duties, including access to the company's secretarial department for assistance as required.

7.0 Quorum & Meeting Proceedings

7.1 The quorum for the RC meetings shall comprise at least two (2) members or half (1/2) of the RC, whichever is the higher.


7.2 The RC should meet at a minimum two (2) times a year to carry out the activities as per this Term of Reference, or more frequently when the need arises.

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- 7.3 A meeting of the RC may be held by means of telephone, video conference or telephone conference or other telecommunication facilities, which permits all persons participating in the meeting to communicate with each other. A person so participating shall be deemed to be present in person at such meeting and shall be counted in a quorum and be entitled to vote.
- 7.4 The Chairman of the RC may invite appropriate officers of the Company or professional advisers or any person to attend the meetings where the RC considers necessary.
- 7.5 The RC may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, at least twice a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.
- 7.6 The Company Secretary shall on the requisition of the members of the RC and concurrence by the Chairman summon a meeting of the RC except in the case of an emergency, reasonable notice of every RC meeting shall be given in writing.
- 7.7 The Chairman of the RC shall report to the Board on any matter that should be brought to the Board's attention and provide recommendations of the RC that require the Board's approval at the Board meeting.

8.0 Written Resolution

- 8.1 In between RC Meetings, approvals or recommendations by the RC on urgent or important business matters may be made via Directors' Written Resolution enclosing all relevant information to enable the RC Members to make informed decisions.
- 8.2 A RC Directors' Written Resolution signed and approved by any other electronic means by all of the RC Members, shall be as valid and effectual as if it had been passed at an RC Meeting duly convened, held and constituted. Any such resolution may consist of several documents in like form each signed or approved by one or more RC members.

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9.0 Amendment, Variation or Modification

- 9.1 The Terms of Reference may be amended, varied or modified in writing as and when necessary subject to the Board's approval.
- 9.2 Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.
- 9.3 The Terms of Reference shall be reviewed and updated as and when there are changes to the Company/Group's direction that may affect the RC's role.

Dated: June 18, 2021