

## NOMINATION AND REMUNERATION COMMITTEE CHARTER

- Members : Three (3) non-executive directors, including the Chairman of MMC. A majority of the members of the Committee shall be independent directors.
- Secretary : The Company Secretary shall act as the Secretary of the Committee, unless otherwise determined by the Chairman of the Committee.
- Quorum : Majority of members present
- Frequency of Meetings : At least once a year and at such other times as the Chairman of the Committee considers necessary.
- Notice of Meetings : Unless otherwise agreed by the Committee members, notice of each meeting confirming the venue, time and date together with an agenda of items to be deliberated and board papers, shall be forwarded to each member of the Committee at least five (5) business days prior to the date of the meeting.
- Minutes : The Company Secretary shall minute the proceedings and resolutions of all Committee meetings.

Recommendations of the Committee are to be referred to the Board for approval.

Minutes of Committee meetings shall be circulated to all members of the Committee. Minutes shall be confirmed by the Committee and signed by the Chairman.

Approved Minutes shall be distributed to all members of the Board for information at the next Board meeting.

## **Terms of Reference**

The functions and responsibilities of the Committee are as follows:

### **1.1 The Nomination Functions**

- 1.1.1 To consider and recommend to the Board suitable candidates for appointment as Board members of MMC, its Committees, subsidiaries and associate companies. In making its recommendations, the Committee will consider the following criterias:-
- Skills, knowledge, expertise and experience;
  - Professionalism;
  - Integrity;
  - In the case of candidates for the position of independent non-executive directors, the Committee will evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.
- 1.1.2 To annually review the structure, size and composition of the Board to ensure that one third of its members are independent non-executive directors, as well as to review the required mix of skills and experience, diversity and other qualities of the Board members, including core competencies which non-executive directors should bring to the Board.
- 1.1.3 To annually assess the effectiveness and performance of the Board as a whole, its committees and the contribution of each individual director. All assessments and evaluations carried out by the Committee in the discharge of all its function should be properly documented.
- 1.1.4 To consider and recommend to the Board a policy regarding the period of service of the executive and non-executive directors of MMC, its subsidiaries and associate companies.
- 1.1.5 To consider and recommend to the Board solutions on issues of conflict of interest affecting directors of MMC, its subsidiaries and associate companies.
- 1.1.6 To recommend to the Board the appointment of nominees of MMC to the Boards of subsidiaries and associate companies. The Chairman of MMC is given the mandate to finalise and recommend nominee directors of the Company to the respective Board of subsidiaries and associate companies.

- 1.1.7 To recommend to the Board the appointment of Group Managing Director.
- 1.1.8 To review and recommend to the Board on the succession plan of MMC Group.
- 1.1.9 To recommend to the Board on the removal of director if the director concerned is ineffective, errant and negligent in discharging his duties.
- 1.1.10 To recommend to the Board directors who are retiring (by rotation) for re-election and termination of membership in the Board Committees in accordance with policy, for cause or other appropriate reasons.
- 1.1.11 To recommend to the Board on the appointment and continuation (or otherwise) of any director over the age of 70.
- 1.1.12 To annually assess the independence of an independent director who has served for a cumulative period of nine (9) years.
- 1.1.13 To evaluate and determine on a continuous basis the training needs of the directors.
- 1.2 **The Remuneration Functions**
- 1.2.1 To review and recommend to the Board the general remuneration policy of the MMC Group.
- 1.2.2 To recommend to the Board the remuneration package of the non-executive directors, Group Managing Director and senior management of the MMC Group. Senior management would comprise executives at grade 16 (General Managers) and above.
- 1.2.3 To review the performance of the Group Managing Director and Executives Directors within the MMC Group against their pre-determined performance targets.
- 1.2.4 To recommend the appointment and promotion/salary revision of senior management (Grade 16 and above) within the MMC Group.
- 1.2.5 To recommend to the Board on the compensation commitments/severance payments to the Group Managing Director in the event of early termination of the employment service contract.
- 1.3 To carry out such other assignments as may be delegated by the Board.