



# **AHAM ASSET MANAGEMENT BERHAD**

Company No. 19970104290 (429786-T)

## **GROUP BOARD NOMINATION AND REMUNERATION COMMITTEE**

### **TERMS OF REFERENCE**

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## 1. OBJECTIVE

The purpose of the Group Board Nomination and Remuneration Committee (“GBNRC” or the “Committee”) is to set principles, parameters and governance framework for the following:

- i. To support the Board in carrying out its functions by providing a transparent and consistent procedure concerning the Board, Board Committees, individual Directors, Chief Executive Officer / Executive Director (CEO/ED, or its equivalent), Key Management and the Company Secretary pertaining to the following:
  - a. Appointments; renewals and removals;
  - b. Composition; and
- ii. To support the Board in overseeing the design and operation of the Group’s remuneration framework by providing a transparent and consistent procedure for policies and procedures for Directors, Members of the Boards (and Board Committees) and employees of the Group. The remuneration framework must be competitive and consistent with the culture, objectives, strategy of the Group
- iii. To review the remuneration of Directors of the Group Boards, Members of the Board Committees, CEO/EDs, Key Management and the Company Secretary

The responsibility of the Committee covers the following entities within the Group:

- (i) AHAM Asset Management Berhad (“**AHAM**” or the “**Company**”);
- (ii) AIIMAN Asset Management Sdn. Bhd. (“**AIIMAN**”);
- (iii) Bintang Capital Partners Berhad (“**Bintang**”); and
- (iv) All other subsidiaries of the Company

(Collectively referred to as the “**Group**” or “**AHAM Group**”)

*Note:*

*For the purposes of this document, the Key Management is defined as:*

- (i) All staff of the Group with an internal rank of 16 (or equivalent) and above;*
- (ii) All staff of the Group with a functional title of CEO (or equivalent); and*
- (iii) The Chief Compliance, Risk and Legal Officer (or equivalent) of AHAM;*

## 2. COMPOSITION OF THE COMMITTEE

- 2.1. The Committee shall comprise of three (3) members.
- 2.2. The Committee comprises of the following members and invitees:

<b><u>Members of the Committee</u></b>	<b><u>Committee Position</u></b>
CVC Representative Director on AHAM's Board	Chairman
CVC Representative Director on AHAM's Board	Member
NikkoAM Representative Director on AHAM's Board	Member

<b><u>Management Invitees<sup>1</sup></u></b>	<b><u>Company</u></b>
Chief Executive Officer / Executive Director	AHAM
Chief Operating Officer	AHAM
Head of Human Resource	AHAM

- 2.3. The appointment of Committee members is automatic by their positions held in the Company.
- 2.4. The Board has the authority for the appointment, replacement or termination of any Committee member.
- 2.5. Other personnel of the Group may be invited to attend the meetings from time to time.

## 3. AUTHORITY OF THE COMMITTEE

- 3.1. The Committee has delegated authority from the Group Boards to discharge its duties and responsibilities as set out in this Terms of Reference.
- 3.2. The Committee has the authority to obtain resources which it requires, including but not limited to, obtaining expert advice, both internal and external, and to have full and unrestricted access to information to enable the Committee to fulfil its objectives and duties.
- 3.3. The Committee may sub-delegate authority to the CEO, relevant employees and/or representatives of the Group, as it sees fit to undertake or implement actions that have been approved by the Committee.
- 3.4. The Committee is vested with such power and authority, specific or general, as may from time to time be decided upon by the Group Boards.

## 4. MAIN FUNCTIONS AND RESPONSIBILITIES OF THE COMMITTEE

The scope of the Committee are as follows:

### 4.1. Nomination / Appointments

- To oversee the overall composition of the Board and Board Committees in terms of the appropriate size, skills and experience, compliance with regulatory requirements and diversity through periodic review or as and when required
- To establish the minimum requirements for the Board (and any of the Board Committees) and Key Management

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<sup>1</sup> As an when required, management invitees who are conflicted will not participate in a Committee discussion

- To assess and recommend the nominees for the following positions, when required:
  - Board of Directors (and Board Committees);
  - Key Management;
  - Company Secretary; and
  - Any other specific appointees requested by the Committee
- To advise on the appointment of CEO position (or its equivalent) within the Group prior to submission to the respective subsidiary's Board for approval

#### **4.2. Remuneration and Compensation Policy**

- To establish and oversee the implementation of: (i) remuneration strategies and frameworks; and (ii) to recommend remuneration packages that are:
  - Consistent with the Group's culture, objective and strategy;
  - Competitive and equitable to attract and retain talent; and
  - Reflective of responsibilities and commitments

The framework shall cover all aspects of remuneration, inclusive of salaries, allowances, options and benefits-in-kind

- To establish, oversee and approve the implementation of the bonus policy of the Group
- To review and approve the compensation of (i) Board and Board Committees; (ii) CEO/ED; and (iii) Key Management annually
- To implement, oversee and administer any management incentive plan<sup>2</sup> ("MIP") in accordance to the by-laws of the MIP as approved by the Board and Shareholders of the Company and to perform such other functions as may be requested by the Board.

#### **4.3. Succession Management**

- To provide oversight to the Group's succession management framework to manage succession for critical positions across the Group, such as:
  - Directors;
  - Board Committees;
  - CEO / EDs;
  - Key Management ; and
  - Any other positions deemed critical by the Committee
- To review, deliberate and approve succession plan for the above positions

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<sup>2</sup> For the avoidance of doubt, an incentive plan's by-law should be approved by the full Board of the respective entity. Upon approval of the scheme, the Committee will have discretion in ensuring the scheme is administered in the best interest of the Group.

## **5. FREQUENCY AND QUORUM OF MEETINGS**

- 5.1. The Committee meets at least twice a year and on an ad-hoc basis as and when required.
- 5.2. The Chairman of the Committee has the authority to convene unscheduled Committee meetings at any time deemed necessary, as and when the need arises.
- 5.3. In the absence of the Chairman, the remaining members present shall elect one member of the Committee as Chairman of the meeting.
- 5.4. The quorum for a meeting of the Committee is two (2) members.
- 5.5. Resolutions at the Committee shall be by way of simple majority, with the Chairman of the Committee will have an additional casting vote in the event of a deadlock. For the avoidance of doubt, the Committee may pass resolutions in writing.

## **6. THE SECRETARIAT**

- 6.1. The Company Secretary (or nominee) shall act as the Secretary of the Committee.
- 6.2. All discussions, instructions and decisions shall be recorded in the Minutes of the Meeting.
- 6.3. The confirmed Minutes of meetings shall be confirmed by the Committee at the following Committee meeting.
- 6.4. The Minutes shall be signed by the Chairman of the meeting.

## **7. REVIEW TO THE TERMS OF REFERENCE**

- 7.1. The Committee shall review and assess the adequacy of this TOR on a periodic basis determined by the Committee or as and when necessary.
- 7.2. Any proposed changes to the Terms of Reference shall be approved by the Board