



Appendix E

NOMINATING AND REMUNERATION COMMITTEE (Revised pursuant to a resolution of the Board on 11 March 2022)

(TERMS OF REFERENCE)

(A) Purpose

This Nominating and Remuneration Committee Terms of Reference is established pursuant to Paragraph 15.08A(2) of the Main Market Listing Requirements of Bursa Malaysia (“Listing Requirements”), the Malaysian Code on Corporate Governance (“MCCG”) issued by Securities Commission from time to time and approved by the Board.

The Nominating Committee and Remuneration Committee (the “Committee”), set up under Paragraph 15.08A(1) of the Listing Requirements and MCCG and appointed by the Board of Tan Chong Motor Holdings Berhad (“TCMH” or the “Company”), shall assist the Board to fulfil its responsibilities in relation to the following areas:

- (1) to review and assess the mix of skills, knowledge, expertise and experience, competencies, size, composition, diversity and tenure of each Director of the Board;
- (2) to review and assess the contribution, effectiveness and performance of individual Director, as well as the effectiveness of the Board and its Committees, as well as the Board of the subsidiaries (including the performance in addressing material sustainability risks and opportunities);
- (3) to review and assess the criteria for assessment of independence for Independent Directors (“IDs”);
- (4) to recommend to the Board on candidates for directorship the Directors to sit on Board Committees and on the re-election of Directors of the Company and its subsidiaries based on satisfactory evaluation of the Director’s fit and proper criteria to be set out in a Fit and Proper Policy, performance and contribution to the Board and/or Board of its subsidiaries.;
- (5) to review and recommend to the Board the continuation of office of IDs whose tenure as IDs has exceeded a cumulative term of nine (9) years;
- (6) to facilitate relevant induction programmes for newly appointed Directors as well as continuing education programmes for existing Directors;
- (7) to develop and review policies and procedures governing the composition for effective and efficient functioning of the Board;
- (8) to review and recommend the remuneration policies and procedures for Directors and Senior Management; the terms of employment or contract of employment/service and any compensation payable on the termination of the service contracts of Executive Directors by the Company and/or the Group and to review the changes to the policies and procedures, as necessary;
- (9) to review and recommend to the Board any relevant matters relating to the remuneration of Directors and Senior Management of the Company and Group. The determination of remuneration packages (including Directors’ fees) of individual Directors shall be a matter



for the Board as a whole, with the interested Director abstaining from discussing his/her remuneration; and

- (10) to review and recommend to the Board the Directors' Fit and Proper Policy for the appointment and re-election of the Directors of the Company and its subsidiaries from time to time.

The existence of the Committee does not diminish the Board's ultimate responsibility for decision-making relating to the work of the Committee.

(B) Membership

- (1) The Committee shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members, all of whom shall be Non-Executive Directors ("NEDs").
- (2) The majority of the members of the Committee shall comprise IDs.
- (3) The quorum for meeting shall be two (2) members who are IDs.

(C) Authority

The Board has authorised the Committee, within the scope of its duties and responsibilities set out in this Terms of Reference, to:

- (1) perform the activities required to discharge its responsibilities and make the relevant recommendations to the Board;
- (2) select, engage and obtain, at the cost of the Company, professional advice in order for the Committee to carry out its duties; and
- (3) have full and unrestricted access to information pertaining to the Company.

(D) Rotation of Members

Rotation of the Committee members is encouraged, where practical, to ensure undue reliance is not placed on a particular individual.

(E) Chairman of the Committee

The Board shall appoint the Chairman of the Committee, who shall be an Independent Director. If a Senior Independent Non-Executive Director ("SID") has been identified by the Board, the SID shall be the Chairman of the Committee.

Should the Chairman of the Committee be absent from meeting, the Committee members present shall appoint a Chairman from amongst them for that particular meeting.

(F) Committee Secretary

The Company Secretary(ies) of TCMH shall be the Secretary(ies) of the Committee.

The Secretary(ies) shall be present to record proceedings of Committee meetings.



(G) Notice and Meeting

The Committee shall meet at least once a year or more frequently as deemed necessary by the Chairman. In addition to the regular scheduled meeting, the Chairman shall call a meeting of the Committee if so requested by any member of the Committee or by the Chairman of the Board. Such meetings shall either be conducted physically at site or virtually via a secure online platform

No member of the Committee shall participate in any discussion or decision on their own nomination and remuneration.

The Secretary(ies), in consultation with the Chairman of the Committee, shall draw up the agenda of the meeting. The agenda, together with the relevant papers, shall be circulated at least seven (7) days prior to each Committee meeting, unless with the unanimous consent of the Committee members for calling a shorter notice of meeting..

(H) Attendance

The Chairman of the Committee, or the Committee members with the approval from the Chairman, may invite any person or persons to attend the Committee meetings, but not necessarily for the full duration of the meeting.

(I) Minutes of Meeting

The Secretary(ies) of the Committee shall keep the minutes of meetings. After the Chairman has given approval, copies thereof shall be circulated to all members of the Board.

(J) Committee's Performance

On an annual basis, the Board shall evaluate the Committee's performance and extent to which the Committee has met the requirements of its Terms of Reference.

(K) Duties of the Committee

The duties of the Committee shall be to:

- (1) Review and consider the size and composition of the Board and Board Committees with a view to determining the impact of the number and composition upon the Board's and Board Committees' effectiveness and recommend to the Board any improvements to be made;
- (2) develop and review the policy on Board composition, in terms of the mix of skills, independence and diversity (including gender diversity), age, tenure and other qualities, required to facilitate effective and efficient functioning of the Board;
- (3) review the Board's nomination and election process, including the subsidiaries;
- (4) set out and communicate the expectations of Directors regarding the level of contribution and time commitment, and obtain this commitment in writing including an indication of time that will be spent on the appointment, from the Directors upon appointment;
- (5) develop, maintain and review the criteria to be used in the recruitment process;



- (6) recommend to the Board, candidates for all directorships in the Company and its subsidiaries. In making the recommendations, the Committee shall also consider candidates proposed by the Chairman and, within the bounds of practicability, by any Director or shareholder or sourcing from independent search firms/directors' registry. In making its recommendations, the Committee shall refer to a Fit and Proper Policy and consider, amongst others, the candidates':
 - (a) skills, knowledge, expertise and experience;
 - (b) competency and performance;
 - (c) character, professionalism and integrity;
 - (d) number of directorships (including directorship on boards of non-listed companies outside the Group) and other external obligations which may affect the Director's commitment, including time commitment and value contribution; and
 - (e) in the case of candidates for the position of ID, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/ functions as are expected from IDs.

Prior to the appointment, the prospective Director shall be required to sign a Fit and Proper declaration, and disclose any other business interests that may result in a conflict of interest;
- (7) ensure that on appointment to the Board, NEDs receive a formal letter of appointment setting out clearly what is expected of them in terms of the time commitment, accompanied by a copy of the Board Charter;
- (8) recommend to the Board and facilitate appropriate induction and education programme for new Directors; evaluate the training needs of Directors to enhance their competencies and ensure that their training needs are met and they are kept abreast of all regulatory changes and developments in the business environment;
- (9) recommend to the Board, Directors to fill the seats on Board Committees;
- (10) on an annual basis, review the required mix of skills, length of services, experience and other qualities of the Board, including core competencies which NEDs shall bring to the Board;
- (11) review the re-election process of Directors and Directors of subsidiaries having due regard to their performance and ability to continue to contribute to the Board and/or its subsidiaries in the light of knowledge, skills, experience and fit and proper criteria required;
- (12) review any matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of the laws and their service contracts;
- (13) consider the appointment of any Director to executive or other office;
- (14) assess annually the effectiveness of the Board, as a whole, Board Committees and the contribution of each individual Director;



- (15) develop, maintain and review the criteria to be used in the assessment of Board, as a whole, Board Committees and individual Directors;
- (16) review the policy on board diversity, including but not limited to gender diversity, age and ethnicity;
- (17) review and oversee the succession planning for Board members (including Chairman and Chief Executive Officer) and Senior Management of TCMH Group;
- (18) review and recommend to the Board the individual compensation and benefits arrangements for Executive Directors and Senior Management, taking into consideration the policies and procedures pertaining to Directors' and Senior Management's remuneration, where appropriate; and
- (19) review and recommend to the Board the Directors' Fit and Proper Policy for the appointment and re-election of the Directors of the Company and its subsidiaries from time to time.
- (20) To consider other matters as referred to the Committee by the Board.

(L) Reporting

The Chairman shall report on each meeting of the Committee to the Board regarding all relevant matters and appropriate recommendations, for notation or approval by the Board.

(M) Committee Ethics and Procedures

Members of the Committee shall safeguard all internal Committee communications concerning any candidates and treat them as strictly private and confidential, and for the use of Committee members only.

The Committee may be required to check references and consult selected third party sources on a confidential basis before making its final recommendations.

(N) Review of the Terms of Reference

The Terms of Reference shall be reviewed by the Committee as and when required, especially when there are changes to regulatory requirements or the MCCG where the roles and responsibilities of the Board and the Committee are impacted. All amendments to the Terms of Reference, as recommended by the Committee, must be approved by the Board.