

TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

No.	Items	Terms
1.	Name	Nomination and Remuneration Committee (“NRC”)
2.	Objective (s)	<p>(i) To provide a formal and transparent procedure and support the Board of Directors (“Board”) in carrying out its function in overseeing the following matters concerning the Board, Board Committees, Directors, Shariah Committee (“SC”), President/Chief Executive Officer (“P/CEO”) and Senior Management:-</p> <p>(a) appointments, reappointments and removals;</p> <p>(b) composition;</p> <p>(c) performance evaluation and development; and</p> <p>(d) fit and proper assessments.</p> <p>(ii) To support the Board in overseeing matters relating to the remuneration policy and packages for the Directors, SC members, P/CEO and Senior Management of the Bank including various incentives or retention schemes implemented by the Bank.</p> <p><i>Note:</i> Senior Management refers to the Executive Committee (“EXCO”) members, Chief Compliance Officer and Chief Internal Auditor.</p>
3.	Chairmanship	<p>An Independent Non-Executive Director appointed by the Board.</p> <p>In the absence of the NRC Chairman, one of the members present can be appointed as Chairman of the meeting.</p>
4.	Members/ Composition	The membership of the NRC shall consist of not less than three (3) members, majority of which must be Independent Non-Executive Directors.
5.	Approval of Terms of Reference (“TOR”)	The TOR of NRC shall be approved by the Board.
6.	In-attendance/Non-member invitees	<p>(i) P/CEO (or designated representative); and</p> <p>(ii) Chief People Officer (or representative from Human Capital Management Division).</p> <p>The NRC Chairman, may at his discretion, invite any other person from time to time.</p>

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7.	Secretariat	Head of Corporate Secretarial Department (“CSD”) or a representative from CSD.
8.	Frequency of meeting	At least four (4) times a year, or as and when required.
9.	Quorum for meeting	<p>(i) The quorum shall be three (3) members. In the case of insufficient quorum, the meeting shall be adjourned to such other date and at such other time and venue as the members may determine.</p> <p>(ii) A director interested in a contract or a proposed contract or arrangement shall be counted to determine a quorum. However, he/she must abstain from participating in discussion and decisions on matters directly involving him/her to avoid any conflict of interest.</p> <p>(iii) The quorum must be present in person. However, a member may also constitute the quorum by means of audio, or audio and visual communication where he/she is unable to be present in person with the NRC Chairman’s approval.</p>
10.	Quorum for decision-making	Questions arising at any meeting shall be decided by a majority vote. In case of an equality vote, the NRC Chairman shall have a second or casting vote.
11.	Roles & Responsibilities	<p>Nomination</p> <p>(i) Overseeing the overall composition of the Board, Board Committee and Shariah Committee in terms of size, skill and the balance between Non-Executive Director and Independent Director and to recommend to the Board the appropriate policy relating thereto.</p> <p>(ii) To recommend suitable candidates to the Board for the appointment and re-appointment in the Board, Board Committee, Shariah Committee and P/CEO taking into consideration amongst others the fit and proper assessment that the individuals should bring to the Board.</p> <p>In the case of candidates for the position of Independent Directors, the NRC shall also evaluate the candidates’ character and judgment to discharge such responsibilities/functions as are expected from Independent Directors.</p>

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		<p>(iii) To recommend candidates to the Board for the appointment and reappointments of Senior Management based on the fit and proper assessment.</p> <p>(iv) To assess annually the performance and effectiveness of the Board, Board Committees and the contribution of each individual director in discharging their duties.</p> <p>(v) To assess the performance and effectiveness of the Senior Management in discharging their duties including the setting of appropriate performance target parameter of each financial year.</p> <p>(vi) To oversee the succession planning framework for the Board and Senior Management.</p> <p>(vii) To ensure all Directors undergo appropriate induction programme and receive continuous training in order to keep abreast with the latest developments in the industry.</p> <p>(viii) To oversee and recommend to the Board on the Human Capital policies and strategies, compensation and benefits policies/plans and the terms and conditions of service of the P/CEO and Senior Management.</p> <p>Remuneration</p> <p>(i) To recommend to the Board, the remuneration framework and structure for the Board, SC, P/CEO and Senior Management and ensure that the agreed framework and structure are in line with the Ministry of Finance's directive.</p> <p>(ii) To recommend remuneration packages of the Board, Board Committee members, SC members, P/CEO and Senior Management to reflect the level of expertise, commitment and responsibilities. The remuneration packages should:</p> <p>(a) Be based on an objective consideration and approved by the full Board;</p> <p>(b) Take due consideration on the assessments of the effectiveness and contribution of the Director, P/CEO and Senior Management;</p> <p>(c) Not be decided by the exercise of sole discretion of any one individual or restricted group of individuals;</p> <p>(d) Be sufficiently competitive to attract, nurture and retain high quality talents in order to deliver the Bank's mandate.</p>

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		<p>(iii) To make recommendation(s) to the Board with regard to the staff annual bonus and other performance related rewards and annual increment.</p> <p>Other</p> <p>(i) To deliberate on Senior Management's industrial relation matters.</p>
12.	Circular Resolution	A circular resolution in writing shall be valid and effectual if it is approved and signed by all members.
13.	Submission of papers	Submission of papers to the NRC shall be no later than three (3) working days prior to the meeting.
14.	Notice of Meeting	Notice of Meeting to be issued to the NRC not later than seven (7) calendar days prior to the meeting unless consent for a shorter notice for ad-hoc meeting had been obtained from the NRC Chairman.
15.	Meeting Allowance	The meeting allowance shall be determined by the Ministry of Finance.

Notes:

Approved by the Board at its 300th Meeting held on 23 February 2021.