



(A) Purpose

This Nominating and Remuneration Committee Charter is established pursuant to Paragraph 15.08A(2) of the Main Market Listing Requirements of Bursa Malaysia (“Listing Requirements”), Malaysian Code on Corporate Governance (“MCCG”) issued by the Securities Commission in April 2017 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 and diversity 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;
- (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, on the re-election of Directors and the Directors to sit on Board Committees;
- (5) to 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 policy and procedures for Executive Directors and senior management; the terms of employment or contract of employment/service and any compensation payable on the termination of the service contract by the Company and/or the Group and to review the changes to the policy and procedures, as necessary; and
- (9) to 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.

(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 whom must be IDs.



(C) Authority

The Board has authorised the Committee, within the scope of its duties and responsibilities set out in this Charter, 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 (“SINED”) has been identified by the Board, the SINED 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 & Meeting

The Committee shall meet at least once (1) 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. If a member is unable to be physically present, the member may choose to participate via video or tele-conferencing.

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.



(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 Charter.

(K) Duties of the Committee

The duties of the Committee shall be to:

- (1) consider the size of the Board and Board Committees with a view to determining the impact of the number 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) and other qualities, required to facilitate effective and efficient functioning of the Board;
- (3) review the Board's nomination and election process;
- (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. 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 consider, amongst others, the candidates':
 - (a) skills, knowledge, expertise and experience;
 - (b) performance;
 - (c) character, professionalism and integrity;
 - (d) number of directorships 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 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, accompanying with 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, 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 having due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience 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 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) 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

All members 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. The Committee shall work diligently amongst the members of the Board in performing its evaluations and adhere to the Code of Ethics.

(N) Review of the Charter

The Charter shall be reviewed by the Committee as and when required. All amendments to the Charter must be approved by the Board.