

**WESTPORTS HOLDINGS BERHAD**  
**(Incorporated in Malaysia – Company No. 262761-A)**

**NOMINATION, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE CHARTER**  
(Approved by the Board on 9 November 2016)

**1 Purpose**

The primary functions of the Nomination, Remuneration and Corporate Governance Committee ("Committee") of Westports Holdings Berhad ("Company") are to:-

- 1.1 Identify, evaluate and recommend to the Board of Directors ("Board") of the Company the individuals who are qualified to fill vacancies or newly created positions on the Board and the Committees of the Board ("Board Committees") and to recommend to the Board the persons it should nominate for election or re-election as directors at the annual general meeting of the Company.
- 1.2 Assess the effectiveness of the Board as a whole, Board Committees and its individual directors including evaluating the balance of expertise, knowledge, experience, professionalism, integrity and criteria needed for the appointment of the directors.
- 1.3 Formulate and implement a formal and transparent procedure for proposing new members to the Board and Board Committees.
- 1.4 Review proposals for the appointment of directors and the chief executive of the Company and of its subsidiaries ("Group").
- 1.5 Review and recommend to the Board in respect of directors' independence and conflicts of interests, if any, and the steps to be taken to manage potential conflicts of interest.
- 1.6 Facilitate training programmes for the Board to ensure adequate training for each member of the Board, and facilitate board induction for new members of the Board.
- 1.7 Review and recommend to the Board corporate governance principles to be implemented for the Group, in compliance with the Malaysian Code on Corporate Governance 2012.
- 1.8 Recommend to the Board the remuneration policies, principles and the framework for the Group's directors, chief executive and senior management.
- 1.9 Review and recommend to the Board the manner in which the Group's directors, chairman and senior management are to be remunerated in line with such policies. The remuneration however, shall be determined by the Board as a whole after taking into consideration the Committee's recommendation.
- 1.10 Review the performance evaluations of key senior management of the Group who are direct reports to the chief executive to ensure objectivity and adherence to the established scheme of service for employees.
- 1.11 Recommend to the Board the establishment of a short and long-term incentive plan for eligible employees and eligible executives of the Group such as share schemes or other equity-based incentive plans, including the setting of appropriate performance targets.
- 1.12 Executing other related functions to achieve the objective of the establishment of the Committee.

**2 Composition**

- 2.1 The Committee shall be appointed by the Board from among its members and shall comprise of at least 3 directors, all of whom shall be non-executive, with a majority being independent directors as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").
- 2.2 The Board shall appoint the chairman of the Committee who shall be the senior independent non-executive director identified by the Board ("Chairman").
- 2.3 Where the members of the Committee are reduced to not less than 2, the Board shall within 6 months of the said event or such longer period as the Board may determine, appoint such new members as may be required to make up the minimum number of 3 members.
- 2.4 Members of the Committee may resign from the Committee with prior written notice to the Board and may continue to serve as directors of the Company.
- 2.5 The appointment of a member of the Board to the Committee shall terminate immediately upon the member ceasing to be a director of the Company.
- 2.6 The Secretary of the Company or a management representative shall act as the Secretary of the Committee. In the absence of the Secretary, the Chairman of the meeting may appoint another person to act on behalf of the Secretary for the purpose of the meeting.

**3 Procedure**

- 3.1 The Committee may regulate its own procedure, including and without limitation to regulate calling and notice of meetings, quorum and voting.
- 3.2 Except in so far as amended by a unanimous resolution of the Committee, the following rules of procedure shall apply:-
  - (a) The Committee shall meet at least once a year. More meetings may be convened when the need arises.
  - (b) The Chairman or Secretary of the Committee on the requisition of the members, shall at any time summon a meeting of the Committee by giving 3 days advance notice or if the consent of all the members are obtained, by shorter notice.
  - (c) No business shall be transacted at any meeting of the Committee unless a quorum of 2 members is present. In the absence of the Chairman of the Committee, the remaining members present at a meeting shall elect one of their members to chair the meeting.
  - (d) If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting shall be adjourned to the same day, time and place in the next week or such other day, time and place as the members may determine. If at such adjourned meeting, a quorum is not present within 15 minutes of the time appointed for holding the meeting, the meeting shall be dissolved.

- (e) Attendance at a meeting may be in person or by way of participation via video conference or teleconference or such other means as may be agreed by the members.
- (f) The Committee may at its discretion invite one or more persons to attend the meeting.
- (g) Minutes of the meeting shall be signed by the Chairman and distributed to each member of the Committee and the Board. The minutes shall be kept at the registered office of the Company under the custody of the Secretary of the Company and shall be open for inspection by the Board and external or internal auditor(s). Any request by the management or other persons to inspect the minutes shall be subject to the approval of the committee.
- (h) A resolution in writing signed by all members in lieu of convening a formal meeting shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.
- (i) All recommendations and findings of the Committee shall be submitted to the Board for approval. Upon such approval, the Secretary of the Committee shall distribute to each member a copy of the said approval.
- (j) The Committee may create subcommittees to perform particular functions, either generally or in specific instances.

#### **4 Duties and Responsibilities**

In order to carry out the purposes described above, the Committee shall have the following duties and responsibilities:

- 4.1 Recommend to the Board the optimum size and composition of the Board and Board Committees, including ensuring that at least 1/3 of the Board is made up of independent directors as defined in the Listing Requirements.
- 4.2 Develop, maintain and review criteria to be used in the recruitment process and annual assessment of the directors of the Company, including criteria to assess independence and conflict of interest. The nomination and election process should be disclosed in the annual report of the Company.
- 4.3 Evaluating the composition, membership, vacancy and identifying candidates and making recommendations to the Board in respect of any changes to the composition of the Board for effective contribution to the Group.
- 4.4 Consider and make recommendations to the Board on the suitability of the candidates nominated for appointment to the Board whether to fill a vacancy or as an additional director. In making its assessments and recommendations, the Committee should consider:-
  - the candidates' skills, knowledge, expertise and experience;
  - the candidates' professionalism;
  - the candidates' commitment (including time commitment)
  - the candidates' contribution and performance
  - the candidates' character, integrity and competence;
  - boardroom diversity, including diversity in terms of gender, age and ethnicity; and

- in the case of candidates for the position of independent non-executive directors, the candidates' ability to discharge such responsibilities / functions as expected from independent non-executive directors.

The Committee may take into account recommendations made by the executive director(s), chief executive and, within the bounds of practicability, any other senior director or senior executive or shareholder in making its recommendations.

- 4.5 Consider and make recommendations to the Board on the directors to fill the seats of the Board Committees.
- 4.6 Assist the Board in reviewing on an annual basis the required mix of skills, experience and other qualities of the Board, including core competencies which non-executive directors should bring to the Board. This activity should be disclosed in the annual report of the Company.
- 4.7 Assist the Board in establishing a policy of boardroom diversity, including diversity in gender, ethnicity and age and identifying measures to implement the policy.
- 4.8 Carry out the process approved by the Board for assessing directors and in particular the annual assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual director, including his time commitment, character, experience and integrity.
- 4.9 Assess annually the effectiveness and performance of the executive directors.
- 4.10 Assess annually the independence of its independent directors. This activity should be disclosed in the annual report of the Company and in any notice of a general meeting for the appointment and re-appointment of independent directors.
- 4.11 Review the character, experience, integrity, competence and time to effectively discharge the roles of chief executive and chief financial officer.
- 4.12 Recommend to the Board the protocol for accepting new directorships.
- 4.13 Establish a formal process for identifying and/or recommending to the Board of directors who are due for retirement (a) by rotation at the Company's annual general meetings and their re-election thereat or (b) by operation of law.
- 4.14 Recommending to the Board on any matter relating to extension of service for any directors including cessation or termination of service of any chief executive as the Company's staff pursuant to regulations and service contract.
- 4.15 Making an annual evaluation for re-appointment/extension of service for any chief executive/non-executive director and director after expiry of their service period or upon reaching the limit of retirement age, subject to performance and service effectiveness contributed and also to report this to the Board.
- 4.16 Review training programmes for the Board, evaluate and determine the training needs of the Board and to ensure that the Board receives adequate training in order to be able to discharge its functions effectively.

- 4.17 Facilitate board induction for new members of the Board to ensure that they are well-informed and well-equipped to be able to discharge their duties effectively.
- 4.18 Review proposals for the appointment of the chief executive of the Company and of its key subsidiaries and make recommendations to the respective Board(s) for approval.
- 4.19 Require that the appointment of all key senior management personnel of the Group who will be reporting directly to the chief executive of the Company be notified to the Committee before such appointment(s) take place.
- 4.20 Review the succession management plans of the Group to ensure smooth transitions. Requesting management to prepare “succession planning” for the Board, especially for candidates to be appointed as chief executive and senior management of the Company for the Board’s review, and informing the Board of issues in relation to strategy and commercial changes which would influence the Group’s activities.
- 4.21 Choosing, appointing and preparing terms for an external consultant/advisor in giving advice regarding directors’ remuneration and to consider the eligible candidates from various backgrounds and merit to meet the criteria which has been determined by the Committee.
- 4.22 Considering and recommending a policy regarding the period of service of the Group’s executive and non-executive directors.
- 4.23 Review and make recommendations to the Board in respect of compliance with the Malaysian Code on Corporate Governance 2012 and other best practices in corporate governance.
- 4.24 Review and make recommendations to the Board in respect of directors’ independence and conflicts of interests, if any.
- 4.25 Recommend to the Board the form and content of the Statement on Corporate Governance that the Company is obliged to make in its annual report in compliance with the Listing Requirements, if required.
- 4.26 Develop, review and recommend the Corporate Governance Guidelines relating to the membership and functioning of the Board and any other matters which the Committee deems appropriate.
- 4.27 Conduct periodical review of this Charter and recommend to the Board any changes which it deems appropriate.
- 4.28 Ensure that all assessments and evaluations carried out by the Committee in the discharge of all its functions are properly documented.
- 4.29 Recommend to the Board the remuneration and the terms and conditions of service of the executive directors of the Company.
- 4.30 Design and implement an evaluation procedure for the directors, chairman and senior management of the Company.
- 4.31 Evaluate the performance of executive directors of the Company on a yearly basis and make appropriate recommendations to the Board in respect of their remuneration packages which shall be competitive, performance-based and reflective of their contributions to the Group’s long-term growth and profitability, in line with corporate objectives and strategy.

- 4.32 Design an evaluation procedure for non-executive directors of the Company and make appropriate recommendations to the Board in relation to remuneration.
- 4.33 Make recommendations to the Board in respect of the establishment of any short and long-term incentive-compensation plans, share schemes or equity-based plans that apply to the eligible employees and eligible executives of the Group and be empowered to carry out all matters incidental thereto.
- 4.34 Review the performance evaluations of key senior management of the Group who are defined as direct reports to the chief executive to ensure objectivity and adherence to the established scheme of service for employees.
- 4.35 To the extent the Committee deems advisable, retain compensation consultants to advise the Committee about levels and types of compensation being given by companies similar to the Company to their directors and any other matters the committee deems appropriate.
- 4.36 To the extent the Committee deems advisable, consult with legal counsel (which may be counsel to the Company) about any matters, including tax deductibility to the Company and tax effects upon employees that the Committee deems relevant with regard to particular compensation related decisions.
- 4.37 Conduct an annual evaluation of its own performance.
- 4.38 Ensure that adequate disclosures on membership of the committee, board remuneration policies and procedures are made in the annual report of the Company, if required.

## **5 Rights and Powers of the Committee**

- 5.1 In general and unless otherwise expressly authorised by the Board, the Committee shall not have delegated powers from the Board to implement its recommendations but is obliged to report its recommendations to the Board for consideration, approval and implementation.
- 5.2 The decision as to who should be appointed to the Board of the Company or appointed as the chief executive of the Company or to be nominated to the Boards of the Company's subsidiaries, is the responsibility of the Board after considering the recommendations made by the Committee.
- 5.3 In carrying out its duties and responsibilities, the Committee shall have:-
  - (a) Full, free and unrestricted access to any information, records, property and personnel of the Group;
  - (b) Access to independent professional advice and expertise necessary for the performance of its duties;
  - (c) Access to the advice and services of the Secretary of the Company who must ensure that all appointments are properly made; and
  - (d) all necessary information from directors, both for the Company's own records and for the purposes of meeting statutory obligations as well as obligations arising from the Listing Requirements or other regulatory requirements.

## **6 Training**

- 6.1 The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members to aid its members in the discharge of their duties.

**7 Consultants**

- 7.1 The Committee may retain at the Group's expense, at such times and on such terms as the Committee determines at its sole discretion, special legal, accounting or other consultants to advise and assist it in complying with its responsibilities as set forth herein.
- 7.2 The Committee may invite the chief executive to attend meetings of the Committee to discuss the performance of other senior management and make proposals as necessary.

**8 Review and Approval**

- 8.1 This policy shall be reviewed by the Nomination, Remuneration and Corporate Governance Committee annually.

This Policy is dated 29 April 2015.