



**CAPITALAND MALAYSIA REIT MANAGEMENT SDN. BHD.**  
**(fka CapitaLand Malaysia Mall REIT Management Sdn. Bhd.)**

**MANAGER OF CAPITALAND MALAYSIA TRUST**  
**(fka CapitaLand Malaysia Mall Trust)**

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**TERMS OF REFERENCE**  
**OF THE**  
**NOMINATING AND REMUNERATION COMMITTEE**

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## 1.0 General Scope

- 1.1 The Nominating and Remuneration Committee (“NRC”) is a committee duly established by the Board of Directors (the “Board”) of CMRM, the Manager of CapitaLand Malaysia Trust (“CLMT”), in fulfilling the Board’s responsibilities with regard to oversight of nomination and remuneration matters for the Manager.
- 1.2 Its objective is to nurture and cultivate a strong and internationally competitive team of Board and Management members so as to build successful businesses and achieve sustainable growth for the Manager.
- 1.3 The NRC shall discharge its responsibilities in accordance with these Terms of Reference as approved by the Board. These Terms of Reference shall be read in conjunction with all prevailing laws, regulations, guidelines and best practices\* applicable to the business and operations of CLMT and the Manager.

*\*these include the Malaysian Code on Corporate Governance 2021.*

## 2.0 Composition

- 2.1 Members of the NRC, including the NRC Chairman, shall be appointed by the Board. The NRC shall comprise not less than 3 members, the majority of whom, including the NRC Chairman, shall be independent.
- 2.2 The office of a member shall become vacant upon a member’s cessation as a Director of the Manager.
- 2.2 The Board may, if it so decides, remove any member from the NRC.

## 3.0 Meetings

- 3.1 The NRC shall meet as frequently as required and at least once every year.
- 3.2 The NRC meetings shall be called for by the Secretary, upon request by any NRC member.
- 3.3 The NRC meetings may be conducted in person, or by means of telephone conferencing or other methods of simultaneous communication and the minutes of such meeting signed by the Chairman shall be conclusive evidence of such meeting having been conducted.
- 3.4 At least 5 days’ notice of each NRC meeting advising the date, time, venue and agenda shall be provided to each NRC member. The NRC may consent to shorter notice.
- 3.5 Unless otherwise directed by the NRC, the Chief Executive Officer of the Manager (“CEO”) shall be a regular attendee of NRC meetings as the Management representative. The CEO may present recommendations and participate in

Terms of Reference of the Nominating and Remuneration Committee

discussions (including but not limited to those pertaining to the total compensation policy for key executives, recommendations on remuneration and payments to any Director) at NRC meetings.

- 3.6 The NRC shall select such person as the NRC deems fit (e.g. the Company Secretary) to attend and take minutes of NRC meetings (“**Secretary**”).

#### **4.0 Quorum and Voting**

- 4.1 A quorum shall comprise any 2 NRC members, in person or by participation via any method provided in paragraph 3.3. In the absence of the NRC Chairman or his appointed delegate from amongst the NRC members, the NRC members present shall elect one of the NRC members as Chairman for that meeting. All decisions at any NRC meeting shall be decided by a majority of votes of the NRC members present and voting (the decision of the NRC shall at all times exclude the vote, approval or recommendation of any member who has a conflict of interest in the subject matter under consideration).

- 4.2 Each member shall have 1 vote. The Chairman of the meeting shall have the casting vote in the case of an equality of votes.

- 4.3 A resolution in writing, signed by the requisite majority of the NRC members for the time being entitled to receive notice of NRC meeting(s) and vote, shall be as valid and effectual as if it had been passed at an NRC meeting duly convened and held (the decision of the NRC shall at all times exclude the vote, approval or recommendation of any member who has a conflict of interest in the subject matter under consideration). Any such resolution may be signed in counterparts. The expressions “in writing” and “signed” include approval by any such NRC member by telefax, telex, cable, telegram or electronic mail or any form of electronic communication approved by the NRC members for such purpose from time to time incorporating, if the NRC members deem necessary, the use of security and/or identification procedures and devices approved by the NRC members.

#### **5.0 Authority**

- 5.1 The NRC is authorised to review all matters within its Terms of Reference and the NRC shall have:
- a. full access to and co-operation by Management;
  - b. full discretion to invite any Director, member of Management or external third party advisers to attend its meetings;
  - c. direct access to the internal auditor or external auditors in the investigation of any matter within these Terms of Reference; and
  - d. reasonable resources to enable the NRC to discharge its functions properly, including the obtaining of any relevant consultancy services, legal or other

professional advice as may be required from time to time.

- 5.2 In addition to the foregoing, the NRC shall be vested with such authority and powers as may be determined by the Board from time to time, to facilitate the NRC’s effective discharge of its duties and responsibilities.

## 6.0 Duties and Responsibilities

### 6.1 Board Nomination

The NRC shall assist the Board in matters relating to reviewing and recommending to the Board all nominations for the appointment and re-appointment of Directors and of members to the various Board Committees. The NRC shall be responsible for the regular review of the Board composition and its effectiveness, ensuring alignment with the Manager’s strategic and business requirements, and in making appropriate recommendations to the Board.

In connection with this, the NRC shall:

- a. review from time to time and in any event, at least annually, the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and its Board committees, and make recommendations to the Board on any changes, in line with the Manager’s prevailing business requirements;
- b. formulate plans for the succession of Directors, and to make recommendations to the Board on the appointment, re-appointment and retirement of Directors;

*Note: The NRC shall consider candidates on merit and against objective criteria and with due regard to the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position. Prior to the appointment of a Director, the proposed appointee shall be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest.*

- c. initiate and review the Board’s performance annually, review the results of such evaluation, ascertain whether there are any matters that need to be addressed arising from the foregoing, and (if so required) make recommendations to the Board for appropriate action; and
- d. determine annually and as and when circumstances require, whether a Director is independent and if the NRC determines that a Director is not independent, the NRC shall notify and present its recommendations to the Board. In determining whether any Director is independent or otherwise, the NRC shall take into consideration all applicable and prevailing laws, regulations, codes, guidelines and best practices.

## **6.2 Leadership Development and Succession Planning**

The NRC shall provide oversight and guidance on the development and succession planning for the CEO, with a view to alignment with the Manager’s objectives and growth plans.

This includes:

- a. annual review of career development and succession matters for the CEO, formulate plans for CEO development and succession, taking into account the challenges and opportunities facing the Manager, and the skills and expertise needed for current and future plans;
- b. oversee the process for the selection of the CEO. The NRC shall review the candidates’ curriculum vitae and meet with those shortlisted. The NRC shall decide on the appointment of the CEO; and
- c. consider and recommend to the Board proposals regarding disciplinary or other significant issue and/or matters involving the CEO, that may be referred to the NRC by the Management or the Chairman of the Board from time to time.

## **6.3 Remuneration**

The NRC provides oversight on the remuneration framework of the Board and Key Management Personnel (comprising the top key executives of the Manager including the CEO, as disclosed in CLMT’s Annual Report from time to time).

The NRC shall assist the Board to:

- a. review the Board remuneration framework, and determine the specific remuneration packages for the Directors, giving due consideration to prevailing market practice to such extent as may be relevant to the Manager; and
- b. review the compensation framework and remuneration for the Manager’s executives (including the Key Management Personnel), in particular:
  - i. oversee the establishment of the appropriate remuneration framework and policies, with a view to ensuring that the Manager is able to attract, recruit, motivate and retain the best talents through competitive and progressive remuneration principles; and
  - ii. approve the specific remuneration packages for the Key Management Personnel (including salary and incentives); and

- iii. approve termination payment, gratuities, severance payment and other similar payments to the CEO.

Management shall put up all required proposals and supporting information covering the foregoing matters, for the NRC’s consideration.

#### 6.4 Other Functions

- a. review any matter(s) within these Terms of Reference, and to undertake such other reviews and projects as may be required by the Board from time to time; and
- b. review these Terms of Reference regularly, with a view to alignment with all prevailing laws, regulations, guidelines and best practices applicable to the business and operations of CLMT, as well as the prevailing business and operational requirements of CLMT, and to recommend any required updates for the Board’s consideration.

**DOCUMENT HISTORY**

Date of Board Approval	Version Reference	Remarks
21.10.2021	CMRM.NRC.TOR.1	Approved and adopted by the Board on 21 October 2021