



# **TUNE PROTECT GROUP BERHAD**

COMPANY NO. 201101020320 (948454-K)

## **TERMS OF REFERENCE FOR NOMINATION AND REMUNERATION COMMITTEE**

**As at 27 August 2026**

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## **1. APPLICABLE LAWS/ GUIDELINES**

Including but not limited to:

- (a) Financial Services Act 2013 ("**FSA**");
- (b) Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad;
- (c) Capital Markets and Services Act 2007 of the Securities Commission Malaysia ("**CMSA**");
- (d) Companies Act 2016 ("**CA**");
- (e) Malaysian Code on Corporate Governance 2021 issued by the Securities Commission ("**MCCG**");
- (f) Corporate Governance Policy issued by Bank Negara Malaysia ("**BNM**") ("**CGP**"); and
- (g) the provisions of the Constitution of Tune Protect Group Berhad ("**TPG**" or "**the Company**").

## **2. OBJECTIVES/ PRINCIPLES**

The objectives/principles of the Nomination and Remuneration Committee ("**NRC**" or "**the Committee**") shall be to:

- (a) conduct regular review of the structure, size and composition (including the skills, knowledge and experience) of the Board of Directors of TPG ("**Board**") and the Board Committees and make recommendations to the Board of any proposed changes to the Board and Board Committees, consistent with all legal and regulatory requirements including, but not limited to, the MMLR, MCCG, CGP and the Constitution of the Company;
- (b) identify candidates suitably qualified to become Board members and make recommendations to the Board of such individuals for appointment by taking into consideration the competencies, commitment, contribution and performance of such potential candidates. The ultimate decision as to who shall be nominated shall be the responsibility of the full Board after considering the recommendations of NC;
- (c) make recommendations to the Board on the nomination policy, succession planning, training programmes and any related matters for the Directors; and
- (d) provide formal and transparent procedures for developing a remuneration policy for the Company and ensuring that compensation is competitive and consistent with the Company's business strategy and long-term objectives. For this document, "**Key Senior Officers**" refers to:

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- Senior Management Team (i.e. the Executive Committee);
- Control Function Heads;
- Appointed Actuary;
- Company Secretary;
- Other Material Risk Takers\*; and
- Any other positions required by the NC.

\* As per BNM's CGP, "other material risk taker" refers to an officer who is not a member of senior management of a financial institution and who –

- can materially commit or control significant amounts of the financial institution's resources or whose actions are likely to have a significant impact on its risk profile; or
  - is among the most highly remunerated officers in the financial institution.
- (e) determine the specific remuneration packages of the Non-Executive and Executive Directors and Key Senior Officers with a balance to attract and retain talents without paying excessive remuneration within the terms of such agreed policy; and
- (f) review and recommend to the Board:-
- the compensation payable to Executive Director and Key Senior Officers in connection with their individual contributions to the Company's overall performance, taking into account the demands, complexities and performance of the Company as well as the skills and experience required; or
  - any loss or termination of their office or appointment, and the compensation arrangements relating to their dismissal or removal.

### **3. COMPOSITION OF MEMBERS**

Members of the NRC shall be appointed by the Board and shall comprise at least three (3) members, the majority of whom including the Chairman, shall be Independent Directors of the Company and a majority shall be Independent Directors.

*BNM CGP-  
12.3(a)(b)&(c)  
LR-15.08A(1)*

For avoidance of Directors' actual and potential conflicts of interest, a member of the NRC shall ensure disclosure to the Board, of the nature and extent of his/her interest in a transaction or arrangement of interest and if such transaction or arrangement is being deliberated during a Board meeting, he/she shall be absent from the meeting during such deliberations. An interested Director must make disclosure by written notice to all members of the Board and the Company Secretary as soon as practicable after being aware of his/her interest in such transaction or arrangement.

If a member of the NRC resigns, dies, is incapacitated or for any reason ceases to be a member resulting in the number of members being reduced to below three (3), the Board shall fill the vacancy immediately.

*BNM CGP-12.3(a)*

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Each appointed NRC member shall hold office until the earlier of:

- (i) such time as the Board determines to terminate his/her appointment;
- (ii) the NRC member ceases to be a member of the Board; or
- (iii) his/her resignation as a NRC member.

Where there is a specific need for information or clarification on any matters, the relevant staff, advisors, consultants and such other persons whom the NRC deems necessary, may be invited to attend the specific session(s) of the NRC meeting(s).

The Committee must not have any Executive Director in its membership.

*MCCG-Guidance 7.2*

#### **4. THE CHAIRMAN**

The Chairman of the NRC shall be appointed by the Board and must be an Independent Non-Executive Director or Senior Independent Non-Executive Director. The Chairman of the Board should not be a Chairman of the NRC.

*BNM CGP-12.3(c)  
& 12.4  
MCCG-Practice 1.4 &  
5.8*

If at any meeting the Chairman is not present within fifteen (15) minutes after the time appointed for holding the same, the members present may choose one (1) of their number to be the Chairman of the meeting.

*Article 143 of the  
Constitution*

#### **5. ROLES, RESPONSIBILITIES AND POWERS**

The NRC's roles, responsibilities and powers include the following:

- (a) assessing and recommending to the Board for their approval, nominees for directorships and Board Committee members taking into consideration the following criteria of the nominees as well as the composition mix of the Board and Board Committees:

*MCCG-Practice 5.5  
LR-15.08A(3)(a)*

- (i) skills, knowledge, expertise and experience;
- (ii) qualification and professionalism;
- (iii) age and gender;
- (iv) cultural background and other core competencies;
- (v) integrity;
- (vi) potential conflict of interest situations and/or related party interests; and
- (vii) in the case of nominees for the position of Independent Non-Executive Directors, the NC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected by the Board;

Directors appointed should be able to devote the required time to serve the Board effectively. The Board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the Company should be avoided.

- (b) establishing rigorous process for the appointment and removal of Directors. The process for the appointment shall involve assessment of candidates against the minimum requirements as set out below and

*BNM CGP-10.7*

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the requirements under the MMLR and CA:

- (i) a Director must not be disqualified under section 59(1) of the FSA, and must have been assessed by the NC to have complied with the fit and proper requirements; *BNM CGP-10.2*
- (ii) a Director must not have competing time commitments that impair his/her ability to discharge his/her duties effectively. The NC shall recommend to the Board a policy on the maximum number of external professional commitments that a Director may have, commensurate with the responsibilities placed on the Director, as well as the nature, scale and complexity of TPG's operations; *BNM CGP-10.3*
- (iii) a Director must not be an active politician; *BNM CGP-10.4*
- (iv) where a firm has been appointed as the external auditor of TPG, any of its officers directly involved in the engagement and any partner of the firm must not serve or be appointed as a Director of TPG until at least two (2) years after:
  - he ceases to be an officer or partner of that firm; or
  - the firm last served as an auditor of TPG;*BNM CGP-10.5*
- (c) assessing and recommending to the Board for their approval, nominees for the appointment of directors at TPG's investee companies, namely its subsidiary, associate and joint venture companies, excluding Tune Insurance Malaysia Berhad ("**TPM**"). For joint venture and associate companies, only the nominee directors from TPG shall be assessed for this purpose. For the avoidance of doubt, the nominations and appointments of the directors of TPM shall be governed by the NC and the Board of TPM.
- (d) assessing and recommending to the Board for their approval, nominees for Key Senior Officers taking into consideration the following criteria of the nominees:
  - (i) a Key Senior Officer must not be disqualified under section 59(1) of the FSA, and must have been assessed by the NC to have complied with the fit and proper requirements; *BNM CGP-17.2*
  - (ii) a substantial shareholder must not hold a senior management position; and *BNM CGP-17.3*
  - (iii) a Group Chief Executive Officer must devote the whole of his/her professional time to the service of the Company unless BNM approves otherwise in writing. *BNM CGP-17.4*
- (e) utilising a variety of approaches and sources which includes sourcing from a directors' registry and open advertisements or the use of independent search firms. In making its recommendations to the Board, the NC shall consider candidates for directorships proposed by the Group Chief Executive Officer and, within the bounds of practicability, by any other Key Senior Officers or any Director or shareholder; *MCCG-Guidance 5.6*

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- (f) assessing and evaluating, on an annual basis:
  - (i) the desirability of the overall composition of the Board, considering the structure and development of excessive number of directorships, to ensure appropriate size, skills and professionalism;
  - (ii) the balance between Executive Directors, Non-Executive Directors and Independent Directors are maintained in accordance with the MMLR, MCGG and CGP and in consideration of corporate governance best practices;
  - (iii) the required mix of skills and experience and other qualities, including core competencies, which Non-Executive Directors should bring to the Board;
  - (iv) the desirable number of Independent Directors and independence of the Board consistent with all legal and regulatory requirements including, but not limited to, the MMLR, MCGG and CGP;
  - (v) the desirability of renewing existing directorships, with due consideration given to the extent to which the interplay of the Directors' expertise, skills, knowledge and experience was demonstrated with those of other Board members; and
  - (vi) the possible representation of interest groups on the Board;
- (g) recommending to the Board the removal of Director(s) from the Board and/or Key Senior Officer(s), if the Director or Key Senior Officer is ineffective, errant and/or negligent in discharging his/her responsibilities;
- (h) establishing a mechanism for the formal annual assessment on the effectiveness of the Board and Key Senior Officers as a whole and the contribution of each Director to the effectiveness of the Board and the contribution of the various Board Committees. The NC's annual assessment should be based on objective performance criteria, in line with established key performance indicators, as approved by the Board and the minimum requirements as listed under items 5(b) and 5(c) above. All assessments and evaluations carried out by the NC in the discharge of all its functions should be properly documented;
- (i) to review the term of office and performance of the Board Committees and each of their members annually to determine whether such Board Committee and their members have carried out their duties in accordance with their Terms of Reference;
- (j) recommending and ensuring that all Directors receive appropriate continuous training in order to maintain an adequate level of competency in order to effectively discharge their roles as Directors, including but not limited to keeping abreast with developments in the financial industry and with changes in the relevant statutory and regulatory requirements;

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- (k) overseeing the appointment, senior management succession planning and performance evaluation of the Board, the Board Committees, individual Directors and Key Senior Officers and to report their performance and areas of improvement to the Board at the end of each fiscal year;
- (l) periodically reporting to the Board on succession planning for the Board and Key Senior Officers, and working with the Board to evaluate potential successors;
- (m) determine annually whether a Director is independent as may be defined in the guidelines issued by BNM and in MMLR;
- (n) authorised to seek independent professional advice, at the expense of the Company, in carrying out their duties if necessary;
- (o) assess and recommend to the Board, the re-appointment of Directors/ Group Chief Executive Officer upon the expiry of their respective terms of appointment as approved by BNM;
- (p) periodically review the Group Fit and Proper Policy to ensure its relevance and alignment with the organisational needs and structure as well as material changes in the business and risk profile and strategies of Tune Protect Group;
- (q) fair remuneration is critical to attract, retain and motivate directors and senior management. The remuneration package should take into account the complexity of the company's business and the individual's responsibilities. In addition, the remuneration should also be aligned with the business strategy and long-term objectives of the company;
- (r) In determining the appropriate level of remuneration for directors and senior management, the board should also take into consideration the company's performance in managing material sustainability risks and opportunities;
- (s) the remuneration and incentives for independent directors should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed;
- (t) make annual recommendations to the Board on the individual remuneration packages for the Executive Director and Key Senior Officers (including but not limited to director's fees, salaries, allowances, bonuses, share options and benefits-in-kind). The RC shall ensure that such remuneration packages are competitive, fair and not excessive, and in determining such packages and arrangements, the RC must consider:-
  - (i) the individual level of responsibilities undertaken, skills and experience as well as performance and contribution to TPG's growth and profitability, ensuring that the linkage between remuneration and performance is robust;
  - (ii) the underlying performance of TPG as a company on the whole, in light of TPG's business plans and consider competitors' results, analyst reports and the views of the

*BNM CGP-10.6*

MCCG-Guidance  
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Chairman of other Board committees;

- (iii) the relative weighting of fixed and variable remuneration for target performance varies with level of responsibility, complexity of the role and typical market practice;
- (iv) relevant market comparisons and practice as well as any other relevant guidance;
- (v) that the performance criteria set are genuinely challenging and that they are more suitable than possible alternatives; and
- (vi) any other such factors as the RC considers necessary or appropriate;
- (u) review annually the performance of the Non-Executive Directors, Executive Directors and Key Senior Officers and recommend to the Board specific adjustments in remuneration and/or reward payments, if any, taking into account the consideration the points set out in (t)(i) to (vi) above; BNM CGP-19.6(e)
- (v) ensure that remuneration outcomes are symmetric with risk outcomes. This includes ensuring that for Key Senior Officers
  - (i) a portion of remuneration consists of variable remuneration to be paid on the basis of individual, business-unit and institution-wide measures that adequately assess performance; and
  - (ii) the variable portion of remuneration increases along with the individual's level of accountability
- (w) review and recommend to the Board the compensation payable to the Non-Executive Directors, Executive Directors and Key Senior Officers in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for TPG;
- (x) review and recommend to the Board compensation arrangements relating to dismissal or removal of the Executive Director or Key Senior Officers for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable, appropriate, fair and not excessive for TPG;
  - ensure adequate disclosure of the remuneration of Directors for the financial year in the Company's annual report in accordance with the MMLR, MCGG and CGP.

## **6. MEETINGS AND MINUTES OF THE COMMITTEE**

- (a) The NRC shall meet not less than once a year and at such other times as the Chairman of the NRC considers necessary or appropriate.
- (b) The quorum for meetings shall be two (2) Independent Directors. A duly convened meeting of the NRC at which a quorum is present shall

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be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the NRC.

- (c) The Company Secretary shall act as Secretary of the NRC and shall be responsible, with the concurrence of the Chairman of the NRC, for drawing up and circulating the agenda and the notice of meetings to the NRC members prior to each meeting.
- (d) The Secretary of the NRC shall circulate the notice prior to the NRC meeting. Reasonable time should be given for NRC members and to other attendees as appropriate, to consider all relevant papers and materials prior to the NRC meeting.
- (e) The Secretary shall be entrusted to record all proceedings of all meetings of the NRC and to circulate the minutes to NRC members. The minutes of the meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting. The minutes of the NRC meeting, when approved by the NRC and signed by the Chairman of the NRC, shall be circulated to the Board. The Secretary shall be responsible for keeping the minutes and to produce the minutes for inspection when necessary.
- (f) Proposals and matters tabled for deliberations and decisions at the NRC meeting shall be decided by a simple majority of votes of the members present. In the event of equality of votes, provided that more than two (2) members present in persons are competent to vote on the question at issue but not otherwise, the Chairman of the NRC shall have a second or casting vote. A member of the NRC shall abstain from discussion or deliberation and voting on matters in which the member has, directly and indirectly, an interest.

*Article 141 of the Constitution*

## **7. RESOLUTIONS BY CIRCULATION**

A signed or an approved resolution in writing transmitted by facsimile, electronic mail, or other form of electronic means by a simple majority of the NRC members entitled to receive notice of a meeting of the NRC, shall be valid and effectual as if it had been passed at a meeting of the NRC duly convened and held.

*Article 148 of the Constitution*

All such resolutions shall be described as "Nomination and Remuneration Committee's Written Resolutions" and may consist of several documents in the like form each signed by one (1) or more members. The signed resolution shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by the Secretary in the minutes book.

## **8. MEETING USING COMMUNICATION TECHNOLOGY**

The NRC may meet together for the despatch of business, adjourn, and otherwise regulate their meetings as they think fit by means of any communication technology by which all persons participating in the meeting are able to hear, be heard and/or to participate, and in addition for the NRC members, to vote, without the need for the meeting participants to be physically present in the meeting, from more than one venue within or

*Article 147 of the ConstitutionR*

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outside Malaysia. The NRC members participating in any such meeting shall be counted in the quorum for such meeting.

## **9. REPORTING STRUCTURE**

The Chairman of the NRC will report formally to the Board on the key aspects of its proceedings after each meeting. The NRC shall not be delegated with decision making powers but shall report its recommendations to the Board for decision.

The NRC shall compile a report to shareholders on its own activities in the discharge of its duties for the financial year, to be included in TPG's Annual Report.

*LR-15.08A(3)*

The NRC Chairman shall respond to any questions relating to the NRC's activities at the Annual General Meeting of TPG's shareholders, where required.

*MCCG-Practice 13.2*

## **10. REVIEW OF THE TERMS OF REFERENCE**

The NRC shall review its Terms of Reference when there are changes in regulatory requirements.