

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

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**(a) Objective of the Committee**

The primary objectives of the Nomination and Remuneration Committee ("**Committee**") of the board of Manulife Holdings Berhad ("**MHB**") are:

- i) to review the procedure for the appointment and removals of directors, board committees, chief executive officer and key senior officers of MHB and its subsidiaries (excluding Manulife Insurance Berhad) ("**Manulife Group**");
- ii) to review the remuneration policy for directors, chief executive officer and key senior officers of Manulife Group; and
- iii) to assess the performance and effectiveness of the board, board committees, individual directors, chief executive officer and key senior officers of Manulife Group on an on-going basis.

**(b) Composition of Committee**

The board of directors of MHB ("**Board**") must appoint the members of the Committee from amongst its directors. The Committee must consist of at least three members who are solely non-executive directors, the majority of whom must be independent directors to perform the role of the Nomination and Remuneration Committee. The Committee must be chaired by an independent non-executive director.

**(c) Committee's responsibilities**

The Committee is responsible for:-

**Nomination Function**

- i) establishing minimum requirements for the board and the chief executive officer to perform their responsibilities effectively. It is also responsible for overseeing the overall composition of the boards of Manulife Group in terms of the appropriate size and skill, the balance between executive directors, non-executive and independent directors and mix of skills and other core competencies required, through annual reviews;
- ii) recommending and assessing the nominees for directorship, the directors to fill committees as well as nominees for the chief executive officer position within Manulife Group;
- iii) establishing a mechanism for formal assessment and assessing the effectiveness of the boards of Manulife Group as a whole the contribution by each director to the effectiveness of a board, the contribution of the various committees and the performance of the chief executive officer;
- iv) recommending to the board on removal of a director/chief executive officer if he is ineffective, errant or negligent in discharging his responsibilities;
- v) ensuring that all directors undergo appropriate induction programmes and receive continuous training;
- vi) overseeing selection, appointment, remuneration, management succession planning of within Manulife Group; and in addition, the performance evaluation of key senior officers, as well as recommending to the board on the removal of key senior officers if they are ineffective, errant and negligent in discharging their responsibilities; and

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- vii) reviewing the term of office and performance of the Group Audit Committee and each of its members annually to determine whether such Group Audit Committee and members have carried out their duties in accordance with their terms of reference.

The procedures for appointment and assessment must be approved by the full board and disclosed to the shareholders. The Committee should not be delegated with decision-making powers but should be obliged to report its recommendations to the full board for decision.

**Remuneration Function**

- i) recommending a remuneration framework and/or policy for directors, chief executive officers and key senior officers of Manulife Group of which should:
- be documented and approved by the full Board and to be reviewed periodically, including when material changes are to be made to the policy. Any changes thereto should be subject to the endorsement of the full board;
  - reflect the level of expertise, commitment and responsibility undertaken by individual directors, the chief executive officers and key senior officers;
  - be sufficient to attract and retain directors, chief executive officers and key senior officers of calibre needed to manage the company successfully; and
  - be balanced against the need to ensure that the funds of Manulife Group are not used to subsidise excessive remuneration packages.
- ii) Reviewing and recommending specific remuneration packages for directors, chief executive officers and key senior officers of Manulife Group. The remuneration packages should:-
- be based on an objective consideration and approved by the full Board;
  - take due consideration of the assessments of the Committee of the effectiveness and contribution of the directors, chief executive officers or key senior officer concerned;
  - not be decided by the exercise of sole discretion of any one individual or restricted group of individuals; and
  - be competitive and is consistent with the Group's culture, objective and strategy.
- iii) Reviewing the annual performance bonus and increment for the staff of Manulife Group.

The remuneration packages for executive directors should be structured to link rewards to corporate and individual performances to encourage high performance standards. However, the rewards-to-performance linkages should not create incentives for irresponsible behaviour and insider excesses.

**(d) Committee meeting & Quorum**

- i) The Committee should meet at a minimum once a year or more frequently if the needs arise. Any person may be invited by the Chairman to be in attendance to assist the Committee in its deliberation.
- ii) The Chairman of the Committee shall chair every Committee meeting but if the Chairman is not present for 15 minutes after the time appointed for the commencement of the meeting, or unwilling to act, the Committee members present may elect one among themselves to be chairperson of the meeting.
- iii) The quorum of each Committee Meeting should be a simple majority of the Committee members. No business may be transacted at a meeting of the Committee if a quorum is not present.

**MANULIFE HOLDINGS BERHAD**  
(Registration No. 197501003360 (24851-H))  
(Incorporated in Malaysia)

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- iv) Every Committee member has one vote at a meeting of the Committee. Questions arising must be put to vote and passed by majority of the votes cast on it by the Committee members present and voting in favour of it. In the case of an equality of votes, the Chairman or the elected chairperson of the meeting shall have a second or casting vote. Member of the Committee who has direct or deemed interest in the subject matter present at the Committee's meeting shall abstain from participating in discussions and decisions on that matter or any matter arising thereof.
- v) The Secretary of the Committee should be responsible for drawing up the agenda with the concurrence of the Chairman and circulating it, supported by explanatory documentation, to the Committee members and any other person required to attend the meeting within reasonable timeframe prior to each meeting. Urgent matters may be tabled for the Committee's deliberation under a supplemental agenda provided the Chairman's consent is obtained.
- vi) The Secretary should prepare the minutes and distribute it to each member. The minutes of the meeting should be signed by confirmed and signed by the chairperson of the meeting at which the proceeding were held or by the chairperson of the next succeeding meeting. The minutes of each Committee shall be entered into the minutes book.
- vii) All recommendation and findings of the Committee shall be submitted to the Board for approval.
- viii) A resolution in writing, signed by the majority of the Committee member shall be valid and effectual as if it had been passed at a Committee's meeting. Any such resolution may be transmitted by the Committee member via email to the Secretary.
- ix) The Chairman of the Committee should report to the Board on the deliberations of the Committee on a regular basis. In addition, the Chairman should also present a summary of all significant matters and resolutions made by the Committee at the board meeting.

**(e) Revision or Amendment**

Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third party shall first be presented to the Board for its approval.