

**MANULIFE INSURANCE BERHAD**  
**(Company No. 814942-M)**  
**(Incorporated In Malaysia)**

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

**(a) Objectives of the Committee**

The primary objectives of the Nomination and Remuneration Committee of the Board of Manulife Insurance Berhad (“**Manulife**”) are:

- i) to review the procedure for the appointment and removals of directors, board committees, chief executive officer and key senior management of Manulife;
- ii) to review the remuneration policy for directors, chief executive officer and key senior management of Manulife; and
- iii) to assess the performance and effectiveness of the board, board committees, individual directors, chief executive officer and key senior management of Manulife on an on-going basis.

**(b) Composition of Committee**

The Board must appoint the members of the Committee from amongst its directors. The Committee must consist of at least three members, a majority of whom must be independent non-executive directors to perform the role of the Nomination and Remuneration Committee. The Committee must be chaired by an independent non-executive director. The chairman of the board must not chair this Committee.

**(c) Duties and Responsibilities of the Committee**

The duties and responsibilities of the Committee are as follows:-

- i) overseeing the overall composition of the board in terms of the appropriate size and mix of skills, the balance between executive directors, non-executive and independent directors, diversity and other core competencies required, through annual reviews. The Committee shall ensure that the board comprises of majority of independent directors at all time in compliance with Bank Negara Malaysia’s requirement;
- ii) establishing minimum requirements for the board, the chief executive officer and key senior officer to perform their responsibilities effectively;
- iii) recommending and assessing the nominees for directorship, the directors to fill board committees as well as nominees for the chief executive officer position . This includes assessing directors and the chief executive officers proposed for reappointment, before an application for approval is submitted to Bank Negara Malaysia.
- iv) assessing the performance and effectiveness of the board, the contribution of the various board committees, individual directors and chief executive officer. Identifying areas for professional development and process improvements and having in place development plans for directors;
- v) establishing and reviewing the criteria to assess the independence of individual to be appointed as an independent director and undertake to review annually the status of independence of all the independent non-executive directors;
- vi) assist with the Board in periodic review of the required mix of skills and experience to ensure alignment with the strategic direction and emerging challenges faces by Manulife;

- vii) reviewing the fit and proper assessment on the directors, chief executive officers and key senior officer prior to initial appointment and at regular intervals of at least annually or whenever Manulife becomes aware of any information that may materially compromise a director, chief executive officer and key senior officer's fitness and proprietary, or any circumstances that a director, chief executive officer or key senior officer is ineffective, errant or negligent in carrying;
- viii) recommending to the board on removal of a director, chief executive officer or key senior officer if he is ineffective, errant or negligent in discharging his responsibilities;
- ix) overseeing the succession plans for the Board, chief executive officer and key senior officers to promote renewal and address any vacancies;
- x) ensuring that all directors undergo appropriate induction programmes and receive continuous training;
- xi) reviewing the term of office and performance of the Audit Committee and each of its members annually to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference;
- xii) recommending a remuneration policy for directors, chief executive officers, key senior officer and other material risk taker of which should:
  - be documented and approved by the full board and to be reviewed periodically, including when material changes are made to the policy.
  - be in line with the business and risk strategies, corporate values, long term interest of Manulife and reflect the level of expertise, commitment and responsibility undertaken by the individual director, chief executive officer and key senior officer;
  - promote prudent risk-taking behavior and encourage individuals to act in the interest of Manulife as a whole, taking into account the interests of its customers;
  - be designed and implemented with input from the control functions and the board risk management committee to ensure that risk exposures and risk outcomes are adequately considered
- xiii) Reviewing the annual performance bonus and increment for the staff of Manulife.

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

**(d) Committee Meetings**

- 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.
- 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.