



**SWS CAPITAL BERHAD**

# **CHARTER OF THE NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD OF DIRECTORS**

## 1. Purpose of Charter

The Nomination and Remuneration Committee (the "Committee") Charter sets out the authority, responsibilities, membership and operation of the Board of SWS Capital Berhad (the "SWSCAP" or "Company"), for the purposes of:-

### **Nomination**

- i. Review the composition and evaluate the performance of the Board of Directors; select, or recommend for the selection of the Board of Directors, director nominees; and evaluate director compensation; and
- ii. Review the composition of committees of the Board of Directors and recommend persons to be members of such committees.

### **Remuneration**

- iii. Evaluate the performance of, review and recommend to the Board the compensation (including employment contracts and severance arrangements) to be provided to Management Board,
- iv. Review and approve, on behalf of the Board, all compensation (including employment contracts and severance arrangements) to be provided to each executive officer and non-employee director of SWSCAP, including any perquisites and equity compensation and salary, bonus and equity compensation guidelines for all other employees of SWSCAP, and
- v. Review and approve SWSCAP's management succession plans and leadership development strategies.

## 2. Operating Principles

### **2.1 Functions and Composition –**

- i. The Committee shall comprise at least three members of the Board, as named by the Board.
- ii. Members of the Committee shall each be independent of Management.
- iii. The Committee shall carry out such functions as are assigned or delegated to it by the Board and any incidental activities consistent with this Charter as the Committee or the Board deems necessary or appropriate.

**2.2 Chair –** The Committee shall be chaired by one of its members, as named by the Board. In the absence of the Chairman of the Committee for any meeting or part of the

meeting, the remaining members present shall elect one of the members present to chair the meeting.

**2.3 Quorum** – The presence of two members constitutes a quorum for a meeting of the Committee.

**2.4 Voting** – A matter put to a vote at a meeting of the Committee shall be decided by a majority of the votes cast, and in the event of an equality of votes its Chair has a second vote.

**2.5 Procedure and Conduct** – Subject to this Charter and any resolution of the Board respecting a specific matter, the Chair shall determine the procedures and conduct of meetings of the Committee.

**2.6 Secretary and Minutes** – The Corporate Secretary shall be the secretary of the Committee. Copies of the minutes of the proceedings of the Committee shall be sent by the Corporate Secretary to all Members of the Board once they have been approved by the Committee.

**2.7 Frequency of Meetings** – The Committee will meet at the discretion of its Chair, but not less frequently than twice each year.

**2.8 Notice of Meetings** – The proper notice period for calling a meeting of the Committee shall be a minimum of 14 days or such shorter notice as agreed by the Committee.

**2.9 Meeting Agenda** – A written agenda for each meeting of the Committee will be distributed to the members of the Committee at least five days in advance of the meeting date, together with any related materials, if available.

**2.10 Supplemental Attendees** – Any person who may possess information that would be useful to the Committee in carrying out its duties may be invited by the Chair to attend any meeting of the Committee.

**2.11 Term of Appointment/Rotation of Members** – Members of the Committee should be changed on an appropriate, regular basis. Such change should be on a rotation basis in order to ensure that the entire Committee is not changed at any one time.

**2.12 Reporting** – The Committee will, where appropriate, provide written or verbal report of each meeting of the Committee at the next regular Board meeting or as may otherwise be required by the Board.

**2.13 Review of Charter** – The Committee shall review and assess the adequacy of this Charter at least annually. Any proposed amendments to the Charter will be considered by the Governance Committee for recommendation to the Board.

**2.14 Self-assessment** – An evaluation of the Committee shall be conducted regularly, in which the Committee shall review its performance for the purpose, among other things, of assessing whether the Committee fulfilled the responsibilities and duties stated in this Charter.

**2.15 Disclosure** – The Committee shall ensure that this Charter and its composition are publicly disclosed.

**2.16 Independent Counsel or Other Advisors** – The Committee has the authority to engage outside advisors, including but not limited to counsel, independent consultants and/or other experts, as needed, to review any matter under its responsibility, in accordance with the relevant Board resolution or policy.

### **3. PRINCIPAL DUTIES AND RESPONSIBILITIES**

**3.1 Policies and Strategies – Nomination** – The Committee shall:-

- a) Review the composition and size of the Board of Directors and determine the criteria for membership on the Board of Directors, which may include, among other criteria, issues of character, judgment, independence, diversity, age, expertise, corporate experience, length of service, other commitments and the like;
- b) Conduct periodic evaluations of the Board of Directors as a whole and the Committee;
- c) Identify, consider and select, or recommend for the selection of the Board of Directors, candidates to fill new positions or vacancies on the Board of Directors, and review any candidates recommended by stockholders, provided that such recommendations are submitted in writing to the Secretary of the Company, and include, among other things, the recommended candidate's name, biographical data and qualifications, and that such recommendations are otherwise made in compliance with the Company's bylaws and its shareholder nominations and recommendations policy;
- d) Evaluate the performance of individual members of the Board of Directors eligible for re-election, and select, or recommend for the selection of the Board of Directors, the director nominees for election to the Board of Directors by the stockholders at the annual meeting;
- e) Periodically review the composition of each committee of the Board of Directors and make recommendations to the Board of Directors for the creation of additional committees or the change in mandate or dissolution of committees; and

- f) Recommend to the Board of Directors persons to be members of the various committees.

**3.2 Policies and Strategies – Remuneration –** The Committee shall:

- a) Review key human resource policies and strategies and propose such changes as seem desirable.
- b) Review the Corporation's compensation philosophy and its related policies, and make recommendations, if any, to the Board for approval.
- c) Ensure that the Corporation develops on an ongoing basis, adequate, appropriate and effective policies, strategies, controls, processes and procedures within the Corporation to maintain an organisational climate that fosters ethical employee business conduct and behaviour, employee commitment to the operations of the Corporation and a high degree of employee satisfaction and shall review policies and codes in respect of the same and make recommendations, if any, to the Board for approval.
- d) Review and approve individual employee bonus awards as recommended by the Managing Director. The Committee shall also conduct a review of the Corporation's policy on bonus awards, and make recommendations to the Board as required.

**3.3 Compliance and Reports –** The Committee shall review reports with respect to:

- a) compliance with legal requirements and major corporate policies pertaining to human resource matters on an annual basis; and
- b) compliance with policies on employee business conduct and ethical behaviour on an annual basis or immediately where circumstances dictate. When required, the Committee shall request of Management that it provides a report to the Audit Committee in the event a breach occurs or a concern is raised that is of a nature that warrants such a report.

**3.4 Reports to Board –** The Committee shall report to the Board as it deems appropriate regarding human resource and compensation matters and Management performance in this area.

#### **4. REVIEW**

This Charter is to be reviewed by the Board as required.