

Ge-Shen Corporation Berhad

Terms Of Reference of Nomination and Remuneration Committee

Revised and adopted on 28 April 2016

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1. Objectives

The primary objectives of the Nomination and Remuneration Committee (“**NRC**”) are to assist the Board of Directors (“**Board**”) in their responsibilities:-

- (i) in overseeing the selection of Directors and Chief Executive Officer, matters relating to succession planning, boardroom diversity, training courses for Directors and other requisite qualities of Directors, as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director.
- (ii) to establish formal and transparent remuneration policy and annually review the remuneration package of the Executive Directors.

2. Membership

The NRC shall comprise at least three (3) Directors, majority of whom are Independent Non-Executive Directors.

3. Composition of members

The Board shall elect the NRC members from amongst themselves.

The NRC shall be composed **exclusively or a majority of non-executive Directors**, a majority of whom must be independent.

4. Chairman

The Chairman of the NRC shall be elected from amongst the NRC members and shall be approved by the Board. The Chair of the NRC should be the senior independent director identified by the Board.

5. Secretary

The Secretary of the NRC shall be the Company Secretary of the Company.

6. Meetings

- 6.1. The NRC may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman’s discretion.
- 6.2. The Secretary shall, on the requisition of the members of the NRC, summon a meeting of the NRC except in the case of an emergency, reasonable notice of every NRC meeting shall be given in writing.

- 6.3. In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the Meeting.
- 6.4. Meetings via instantaneous telecommunication device
 - 6.4.1. NRC members may participate in a meeting by means of teleconferencing or similar communications equipment, through which all persons participating in the meeting can hear and speak with each other.
 - 6.4.2. A participant on a conference call shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
 - 6.4.3. The meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chairman of the meeting then is.
 - 6.4.4. Minutes of the proceedings at a NRC meeting by instantaneous communication device will be sufficient evidence of such proceedings and of the observance of all necessary formalities if signed as correct minutes by the Chairman of the meeting and shall be as valid and effectual as if the resolutions had been passed at a meeting of the NRC duly convened, at which all participants were present in the same location.
- 6.5. A resolution in writing signed or approved by letter, telegram, telex or telefax by all the NRC members sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the NRC duly called and constituted.
- 6.6. All such resolutions shall be described as "*Nomination and Remuneration Committee Members' Resolution in Writing*" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by her in the Company's Minutes Book. Any such resolution may consist of several documents in like form, each signed by one (1) or more NRC members.

7. Quorum

The quorum for meeting shall consist of a majority of members, one (1) of whom shall be the Chairman of the Committee.

8. Duties and Responsibilities

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

- 8.1. Nominating
 - i. To assess and recommend to the Board, candidates for all directorships to be filled in the Company and subsidiary companies and the removal of any Director if he is ineffective, errant or negligent in discharging his responsibilities.
 - ii. To assess and recommend to the Board, Directors to fill the seats on Board Committees.
 - iii. To annually review the overall composition of the Board in terms of required mix of the skills and experiences and other qualities, including

core competencies and adequacy of balance between Executive Directors, Non-Executive Directors and Independent Directors.

- iv. To regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board with a view to determining the impact of the number upon its effectiveness and make recommendations to the Board with regard to any changes.
- v. To annually assess the effectiveness of the Board as a whole, the Committees of the Board and assess the contribution of each individual Director.
- vi. To act in line with the directions of the Board.
- vii. To give consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.
- viii. To review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- ix. In the case of persons for the position of Independent Non-Executive Directors, to evaluate the persons' ability to discharge such responsibilities/functions as expected of an Independent Non-Executive Directors.
- x. To determine annually whether a Director is independent as may be defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- xi. To annually review the time commitment required from non-executive directors.
- xii. To ensure that all Directors receive appropriate continuous training programmes in order to broaden their perspectives and to keep abreast with developments in the market place and changes in new statutory requirements.
- xiii. To assess and recommend to the Board, the terms of reference of Board Committees and to review the adequacy of committee structure of Board Committees.
- xiv. To review annually, the term of office and performance of the Audit Committee and each of its members to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

8.2. Board appointments

- i. Before any appointment is made by the Board, to evaluate the balance of skills, competencies, commitment, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the NC shall:-
 - a) consider candidates from a wide range of backgrounds;
 - b) consider candidates on merit, against objective criteria with due regard for the benefits of diversity on the Board, including gender; and
 - c) ensure that once appointed, appointees have enough time available to devote to the position of director.

- ii. For the appointment of a chairman, the NC shall prepare a job specification for the position, which shall include the expected time commitment. The proposed chairman's other significant commitments should be disclosed to the Board before the appointment, and any changes thereto should be reported to the Board.
 - iii. Prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest in relation to the Company, and shall be required to report any future business interests which may develop post-appointment, that could result in a conflict of interest.
 - iv. Facilitate the relevant orientation and education programme for the new Board member.
- 8.3. Remuneration
- i. To review and assess the remuneration packages of the Executive Directors in all forms, with or without other independent professional advice or other outside advice.
 - ii. To ensure the levels of remuneration are sufficient to attract and retain Directors needed to run the Company successfully and aligned to the business strategy and long term objectives of the Company.
 - iii. To structure the components parts of remuneration so as to link rewards to corporate and individual performance and to assess the needs of the Company for talent at Board level at particular time.
 - iv. To recommend to the Board the remuneration package of the Executive Directors and the respective Director shall abstain from the discussion of their own remuneration.
 - v. To regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board with a view to determining the impact of the number upon its effectiveness and make recommendations to the Board with regard to any changes.

9. Reporting responsibilities

- 9.1. NRC Chairman shall report to the Board on its proceedings after each meeting on all matters within the scope of its duties and responsibilities.
- 9.2. The NRC shall make recommendations to the Board it deems appropriate, on any area within its terms of reference and/or where action or improvement is needed.
- 9.3. The NRC shall report to the Board on its activities, based on these Terms of Reference.

10. Other matters

The NRC shall be entitled to the services of the Secretary who must ensure that all appointments are properly made, and that all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, or other regulatory requirements.