

# **GADANG HOLDINGS BERHAD (278114-K)**

## **NOMINATION & REMUNERATION COMMITTEE**

### ***Terms of Reference***

#### **A. MEMBERSHIP**

The Nomination & Remuneration Committee shall be appointed by the Board from among their number and shall be composed of not fewer than three (3) in number.

The majority of the members of the Committee shall be independent non-executive Directors.

The members of the Committee shall elect a Chairman from among their number who is not an Executive Director of the Company and it is recommended that the chair of the Nomination & Remuneration Committee should be the senior independent director identified by the Board.

In the event of any vacancy in the Committee resulting in the number of members being reduced to below three, the Board shall, within three (3) months fill the vacancy.

#### **B. FUNCTIONS**

B.1 To establish and review the terms and conditions of employment and remuneration of the Executive Directors and senior executives of the Group;

B.2 To review and approve the annual salary increments and bonuses of the Executive Directors and senior executives of the Group;

B.3 To review, recommend and consider candidates to the Board of the Company, subsidiaries and associates of the Group, including committees of the Board;

B.4 To regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;

B.5 To assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director on an annual basis, including the independence of the Independent Non-Executive Director);

B.6 To recommend to the Board on the re-appointment/re-election of Directors to the Board;

- B.7 To give full 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;
- B.8 be responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise;
- B.9 to recommend to the Board concerning the re-appointment of any independent non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required;
- B.10 to recommend to the Board concerning the re-election by shareholders of directors under the provision of the Companies Act, 1965 or the retirement by rotation provision in the Company's Articles of Association, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required; and
- B.11 to review induction and training needs of Directors.

**C. MEETINGS**

- C.1 The Committee shall meet at least once a year. However, additional meetings may be called at any time at the Nomination & Remuneration Committee Chairman's discretion.
- C.2 The quorum for the meeting shall be two (2) members.

**D. REPORTING**

The Chairman of the Committee shall report on each meeting to the Board.

**E. SECRETARY**

The Secretary of the Committee shall be the Company Secretary.

**F. SELECTION AND APPOINTMENT OF DIRECTORS PROCEDURE**

- F.1 In the circumstances where the Committee believes, or the Board requests, that there is a need to appoint another Director, whether due to retirement of a Director or growth or complexity of the Company, certain procedures will be followed.

- F.2 The Committee will help assess and recommend to the Board, the candidates for appointment as directors, appointment of directors to board committees and review of board's succession plans.
- F.3 In assessing the suitability of candidates,
- a. consideration will be given to the skills and experience appropriate for the appointee, having regard to the skills, experience, expertise and diversity of the existing Directors and any other anticipated changes to the Board.
  - b. where a need has been identified, the Committee will search/recommend for potential candidates by:-
    - seeking applications from suitably qualified individuals; and/or
    - recommendations from the fellow directors, management or external parties including the Company's contacts in related industries, and finance, legal and accounting professions.
  - c. A short list of candidates will be prepared for the Committee's consideration and interview by the Committee.
- F.4 The Committee will assess, review and deliberate and thereafter, present their recommendation to the Board.
- F.5 Candidates will be assessed based on the following criteria:
- a. competencies and qualification;
  - b. contribution to the overall balance and composition of the Board, assessed against the Board Skill's Matrix;
  - c. time availability, including assessment of other roles that may impede the candidate's capacity to add value to the Company;
  - d. depth of understanding of the role of and legal obligations of a director.
- F.6 Discussion and decision to be made by the Board on the proposed new appointment.
- F.7 Once appointed, the Company's CEO and team of Senior Management will assist the Committee to induct the appointed candidate.

## **G. POLICY FOR BOARD DIVERSITY**

The Board recognizes the benefits of diversity. Diversity of skills, backgrounds, knowledge, international and industry experience, gender, age and ethnicity, amongst many other factors, will be taken into consideration when seeking to appoint a new director to the Board. Notwithstanding the foregoing, all Board appointments will always be made on merit against objective criteria.