

**GD EXPRESS CARRIER BHD**  
**(Company No. 630579-A)**

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

**1. Objectives**

The Combined Nomination and Remuneration Committee (“**Committee**”) is to assist the Board of Directors (“**Board**”) in the following areas:

- Proposing new nominees for the Board of the Company and/or its subsidiaries (the “Group”) - the actual decision as to who shall be nominated shall be the responsibility of the full Board after considering the recommendations of the Committee;
- Assessing the effectiveness of the Board on an ongoing basis;
- Review the effectiveness of the Managing Director (“**MD**”) / Group Chief Executive Officer (“**Group CEO**”) and Chief Financial Controller;
- Assess the size and composition of the Board; and
- Overseeing appointment and management succession planning of Senior Management positions; and
- Recommend to the Board the remuneration package of Executive Directors, Non-Executive Directors and Senior Management of the Group to attract, retain and motivate Directors.

**2. Composition**

The membership of the Committee shall comprise exclusively Non-Executive Directors, a majority of whom are independent and number at least three (3) in total. Membership of the Committee shall be disclosed in the annual Directors’ Report of the Company.

The Chairman of the Committee shall be an Independent Non-Executive Director or a Senior Independent Non-Executive Director appointed by the Board. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst themselves.

The membership of a Committee member shall be terminated upon the cessation of him/her as a Director of the Company, or as determined by the Board.

**3. Quorum and Meeting Procedures**

The Committee shall meet at least once a year. More meetings may be conducted if the need arises. The quorum for a meeting of the Committee shall be two (2) members, present in person, a majority of whom must be Independent Directors.

**GD EXPRESS CARRIER BHD (Company No. 630579-A)**  
**TERMS OF REFERENCE FOR COMBINED NOMINATION AND REMUNERATION COMMITTEE**

A resolution in writing, signed by all the members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.

The Company Secretary or his/her representative or other appropriate senior officer shall act as secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to Committee members prior to each meeting.

The Company Secretary or his/her representative or other appropriate senior officer shall also be in attendance at each Committee meetings and responsible for keeping the minutes of meetings of the Committee, and circulating them to committee members and to the other members of the Board.

**4. Advisers**

The Committee is authorised by the Board to seek appropriate professional advice inside and outside the Group at the Company's expense, as and when it considers this necessary in the discharge of its responsibilities

**5. Responsibilities and Duties**

In fulfilling its primary objectives, the Committee shall undertake the following responsibilities and duties:-

5.1 having evaluated the balance of skills, knowledge and experience on the Board, and hence defined the role and capabilities required for a particular appointment, be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when necessary.

5.1.1 In making the recommendations, the Committee will also consider candidates proposed by the MD / Group CEO within the bounds of practicability, by any other senior executive, Director or shareholder. The Committee shall also utilise independent sources to identify suitably qualified candidates. In making its recommendations, the Committee shall assess and consider the following attributes or factors:-

- a) skills, knowledge, expertise and experience;
- b) professionalism;
- c) commitment (including time commitment) to effectively discharge his/her role as a Director;
- d) contribution and performance;
- e) background, character, integrity, and competence;

**GD EXPRESS CARRIER BHD (Company No. 630579-A)**  
**TERMS OF REFERENCE FOR COMBINED NOMINATION AND REMUNERATION COMMITTEE**

- f) in the case of candidates for the position of Independent Non-Executive Directors, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-executive Directors;
  - g) in considering independence, it is necessary to focus not only a director's background and current activities qualify him or her as independent but also whether the director can act independently of management; and
  - h) on merit and against objective criteria with due regard for the benefits of Boardroom diversity including gender, age, experience, cultural background and ethnicity diversity.
- 5.2 having evaluated the balance of skills, knowledge and experience on the Board, and hence defined the role and capabilities required for a particular appointment, be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 5.3 make recommendations to the Board for the appointment of the Chairman, MD / Group CEO and Senior Independent Director, including an assessment of the time commitment expected and recognising the need for availability in the event of crises;
- 5.4 review and define orientation and induction plans for new directors;
- 5.5 develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors. The nomination and the election process should be disclosed in the Annual Report;
- 5.6 recommend to the Board, Directors to fill the seats on Board Committees;
- 5.7 assess the training needs of each Director, review the fulfilment of such training, and disclose details in the Annual Report as appropriate;
- 5.8 review the Board's succession plans;
- 5.9 review and recommend to the Board the appointment, extension, continuation, upgrading, promotion, suspension or termination of Executive Director and Senior Management of the Group;
- 5.10 review and make recommendations to the Board on Succession Planning Policy for Executive Director and Senior Management;
- 5.11 review annually:-
- 5.11.1 review its own performance, constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;
  - 5.11.2 the required mix of skills, experience and other qualities of the Board, including core competencies which Non-Executive Directors should bring to the Board. This activity shall be disclosed in the Annual Report of the Company;

**GD EXPRESS CARRIER BHD (Company No. 630579-A)**  
**TERMS OF REFERENCE FOR COMBINED NOMINATION AND REMUNERATION COMMITTEE**

- 5.11.3 the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director including his/her time commitment, character, experience and integrity. All assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented and disclosed in the Annual Report;
  - 5.11.4 the effectiveness and performance of the MD / Group CEO, Chief Financial Officer and Executive Directors;
  - 5.11.5 the independence of its independent directors. This activity shall be disclosed in the Annual Report of the Company and in any notice of a general meeting for the appointment and re-appointment of independent directors; and
  - 5.11.6 the term of office and performance of the audit and risk management committee and each of its members to determine whether such audit and risk management committee and members have carried out their duties in accordance with their terms of reference.
- 5.12 recommend the re-appointment of any non-executive director at the conclusion of his or her specified term of office, re-election of any director under the retirement by rotation provisions in the Company's Constitution;
  - 5.13 consider the size and balance of the Board with a view to determine the impact of the number upon the Board's effectiveness and recommend it to the Board;
  - 5.14 recommend to the Board the Company's gender, age, experience and ethnicity diversity policies, targets and discuss measures to be taken to meet those targets.
  - 5.15 recommend to the Board protocol for accepting new directorships;
  - 5.16 recommend to the Board the remuneration of Executive Directors, Non-Executive Directors and key senior management in all its forms and to review the Group's remuneration policies and procedures which should be disclosed in the Annual Report;
  - 5.17 review the remuneration package for the Non-Executive Directors and the committees to be aligned with their responsibilities and contributions;
  - 5.18 the determination of remuneration packages of Executive Directors and Non-Executive Directors, including Non-Executive Chairman, should be a matter for the Board as a whole where the individuals concerned shall abstain from discussion of their own remuneration;
  - 5.19 align remuneration arrangements that focuses on senior management achieving long-term business objectives and growth in shareholders' wealth through formulation of incentive arrangements, including key performance indicators and performance hurdles; and
  - 5.20 formulate and review the human resource development (training) polices and human resource management policies, including the terms and conditions of service of the Group and the incentive schemes for the employees of the Group.
  - 5.21 Review the fees of the Non-Executive Directors and benefits payable to Non-Executive Directors and recommend to the Board and thereafter to be approved at a general meeting.

**GD EXPRESS CARRIER BHD (Company No. 630579-A)**  
**TERMS OF REFERENCE FOR COMBINED NOMINATION AND REMUNERATION COMMITTEE**

**6. Procedures**

The Board follows formal and transparent procedures when appointing directors as follows:-

- 6.1 The Committee shall prepare descriptions of the director characteristics the Board is looking for in a new appointment.
- 6.2 The Committee will seek professional advice as and when it considers necessary to identify a short-list of suitable candidates and a list of nominations for candidates proposed by the MD / Group CEO, and within the bounds of practicability, by any other senior executive, director or shareholder for considerations.
- 6.3 All the candidates are interviewed by at least two members of the Committee whose evaluations will be circulated to all the members of the Committee. A target appointment date is then fixed.
- 6.4 The Committee will then have to make a majority decision in recommending the appointment to the Board.
- 6.5 The Board will then decide on the best candidate by ballot or majority decision and a Board resolution will be passed to appoint the candidate.
- 6.6 The written consent of the nominees to act if elected shall be secured.

The Committee shall regulate its own procedure to be followed in the discharge of its duties and responsibilities set out in section 5 above. The regulation and implementation of such procedure shall, as far as circumstances permit be in keeping with the principles and requirements of the Malaysian Code on Corporate Governance.

**7. Succession Planning for Board**

The Committee shall:

- 7.1 keep under review the leadership needs of the Company, both executive and non-executive, with a view of ensuring the continued ability of the organisation to compete effectively in the marketplace;
- 7.2 give full consideration to succession planning 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 future;
- 7.3 make recommendations to the Board concerning the succession plans for Executive Directors and in particular for the MD / Group CEO and Senior Management;
- 7.4 make recommendations to the Board concerning the re-appointment of any non-executive director at the conclusion of his or her specified term of office, re-election of any director under the retirement by rotation under provisions of the Company's Constitution;
- 7.5 make any necessary recommendations to the Board concerning the continuation in office, suspension or termination of service of any director (subject, in the case of Company employees to the provisions of their service contracts, if any); and
- 7.6 make recommendations to the Board concerning the continuation (or not) in service of any Independent Director who has served consecutively or cumulatively more than 9 years.

**GD EXPRESS CARRIER BHD (Company No. 630579-A)**  
**TERMS OF REFERENCE FOR COMBINED NOMINATION AND REMUNERATION COMMITTEE**

**8. Annual General Meeting**

The Chairman of the Committee should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

**9. Periodic Review**

This Terms of Reference shall be reviewed annually by the Committee.

**8. Revision of the Terms of Reference**

- 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.
- Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

**9. Approval**

This Terms of Reference is reviewed and approved by the Board on 30 August 2018.

*\*Definition of:-*

*Chief executive officer - means the principal executive officer of the corporation for the time being, by whatever name called, and whether or not he is a director.*

*Chief financial officer - means the person primarily responsible for the management of the financial affairs of the corporation (such as record keeping, financial planning and financial reporting), by whatever name called.*

*Senior Management - means "C" level Key Officers, such as Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Information Officer and others who carries the title and senior position of "C" position, if any.*