

**ADOPTED BY THE BOARD  
ON 13 JUNE 2016**

**MCE HOLDINGS BERHAD**

(Company No. 1158341-K)  
(Incorporated in Malaysia)

**TERMS OF REFERENCE FOR  
NOMINATION & REMUNERATION COMMITTEE (NRC)**

**OBJECTIVES & PURPOSES**

The Board's Nomination & Remuneration Committee ("NRC" or "the Committee") is established as a Committee of the Board pursuant to Article 108 of the Company's Articles of Association.

The primary objectives of the NRC are to assist the Board in the following manner :

**A. IN RESPECT OF NOMINATION RESPONSIBILITIES**

1. To oversee the selection criteria and recruitment process and recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board taking into consideration the candidates' :-
  - competencies, commitment, contribution and performance ;
  - professionalism ;
  - integrity ; and
  - in the case of candidates for the position of independent non-executive directors, the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors

including formalising its stand and approach to boardroom diversity.
2. Consider, in making its recommendations, candidates for directorships proposed by the Managing Director and, within the bounds of practicability, by any other senior executive or any director or shareholder.
3. Recommend to the Board, directors to fill the seats on Board Committee.
4. Reviewing on an annual basis, that the Board's size, composition and balance is appropriate and in particular that the required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the Board are present.
5. To oversee the development, maintenance and review of the criteria to be used in the recruitment process and the annual review and assessment of the effectiveness of the Board as a whole, the committees of the Board, and the contributions of each individual director, including an assessment of the independence of the independent non-executive directors. and their length of tenure in office in line with the recommendations of MCCG 2012.

6. To make assessment, consider justifications and make recommendations on the element of independence of an Independent Director should the Board wish to retain as an Independent Director, a person who has served in that capacity for more than nine years.
7. Review of Board's succession plans and facilitate induction and training programmes.

## **B. IN RESPECT OF REMUNERATION RESPONSIBILITIES**

To establish, recommend and constantly review a formal and transparent remuneration policy framework and terms of employment for the Board to attract and retain directors which should be aligned with the business strategy and long term objectives of the Company taking into consideration that the remuneration of the Board should reflect the Board's responsibilities, expertise and complexity of the Company's activities.

## **COMPOSITION & APPOINTMENT**

1. The members of the NRC shall be appointed by the Board of Directors from among the members of the Board.
2. The members of the NRC shall comprise exclusively of Non-Executive Directors, a majority of whom shall be Independent Directors ( as defined in Bursa Malaysia Berhad's Listing Requirements ) and shall consist of a minimum of not less than three members. The appointment and position of a NRC member shall automatically terminate when he ceases to be a member of the Board of Directors.
3. The chair of the NRC should be the Senior Independent Director identified by the board.

## **POWER & AUTHORITY**

The NRC has the power and authority to examine all issues as stated in its Terms of Reference and report to the Board with its recommendations.

In carrying out its duties and responsibilities the NRC shall at the cost fully borne by the Company :

1. Have full and unrestricted access to the Company's resources, records, properties and personnel.
2. Be able to engage independent external professional advisers or consultants.
3. Be able to secure the attendance of outsiders with relevant experience and expertise.

## **PROCEDURE FOR NRC**

1. The NRC may meet together for the dispatch of business, adjourn and subject to Article 108 to 110 otherwise regulate their meetings as they think fit, provided that the Committee shall meet at least once a calendar year.
2. Any member of the NRC may at any time and the Secretary shall on such request summon a meeting of the NRC.
3. At least seven (7) day's written notice of a meeting of a NRC shall be given to all NRC Members at his last known address or other address given by him. The NRC Members may meet on shorter notice and waive notice of any meetings as they deem necessary subject to the consent and agreement of all NRC Members.
4. The quorum necessary for the transaction of business shall be two (2) comprised of a majority of Independent Non-Executive Directors.
5. Questions arising at any meeting shall be determined by a majority of votes of the members present and a determination by a majority of members shall for all purposes be deemed a determination of the NRC.
6. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote PROVIDED THAT where two (2) members form a quorum, the chairman of the meeting at which only such a quorum is present, or at which only two members are competent to vote on the question at issue, shall not have a casting vote.
7. The NRC shall cause minutes to be duly entered into minutes books provided for the purposes :-
  - of the names of all NRC members and other participants of each meeting of the NRC ;
  - of all resolutions and proceedings of the NRC Meetings ; and
  - of all orders, recommendations and reports made by the Committee.

Such minutes shall be signed by the Chairman of the NRC at which the proceedings were held or by the Chairman of the next succeeding meeting, and if so signed, shall be conclusive evidence without any further proof of the facts therein stated.

8. The books containing the minutes of the proceedings of the NRC shall kept by the Company at the Registered Office of the Company subject to the provisions of the Companies Act. 1965, relating to keeping the minutes of the Board of Directors and any committee of the Board of Directors.

## **SECRETARY**

The Company Secretary shall be the Secretary of the NRC.