

**MALAYSIAN GENOMICS RESOURCE CENTRE BERHAD**

(Company No. 652790-V)

(Incorporated in Malaysia)

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

*(Updated as at 24 September 2018)*

**1. Objectives**

The principal objectives of the Nomination and Remuneration Committee (“NRC”) are to: -

- (a) assist the Board of Directors to nominate new nominees to the Board of Directors and senior management;
- (b) assess the performance of the Directors and senior management of the Company on an on-going basis; and
- (b) assist the Board of Directors to assess the remuneration packages of the Directors, Managing Director and senior management.

**2. Composition of members**

The Board of Directors shall elect the NRC members from amongst themselves.

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

The term of office of the NRC shall be a period of three (3) years.

The NRC may be re-nominated and re-appointed by the Board of Directors from time to time.

**3. Chairman**

The Chairman of the NRC shall be a senior independent non-executive director.

The Chairman of the NRC shall be elected from amongst the NRC members and approved by the Board of Directors.

In the absence of the Chairman, any one (1) of or the remaining independent non-executive director(s) shall be the Chairman for that Meeting.

**4. Secretary**

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

**MALAYSIAN GENOMICS RESOURCE CENTRE BERHAD**

(Company No. 652790-V)

(Incorporated in Malaysia)

(Terms of Reference of Nomination and Remuneration Committee - cont'd)

**5. Meetings**

5.1 The NRC may meet together for the despatch 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 his/her discretion.

5.2 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.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the NRC, any other person required to attend and all other non-executive directors, no later than seven (7) days before the date of the meeting. Supporting papers shall be sent to NRC members and to other attendees as appropriate, at the same time.

5.3 NRC members may participate in a meeting by means of a conference telephone or similar communications equipment, through which all persons participating in the meeting can hear and speak with each other.

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.

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.

Resolutions passed at such meeting shall be subsequently confirmed by the said resolutions being signed by all the members who participated at such meeting, and the said resolutions 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. Quorum**

The quorum necessary for the transaction of business shall be two (2) members, one (1) of whom must be an independent non-executive director.

**MALAYSIAN GENOMICS RESOURCE CENTRE BERHAD**

(Company No. 652790-V)

(Incorporated in Malaysia)

(Terms of Reference of Nomination and Remuneration Committee - cont'd)

**7. Duties and Responsibilities**

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

- 7.1 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.
- 7.2 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.
- 7.3 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.
- 7.4 To keep up-to-date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.
- 7.5 To be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- 7.6 To review the results of the board performance evaluation process relating to the composition of the Board.
- 7.7 To annually review the time commitments required from non-executive directors.
- 7.8 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.
- 7.9 Before any appointment is made by the Board, to evaluate the balance of skills, 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 NRC shall: -
  - 7.9.1 consider candidates from a wide range of backgrounds;
  - 7.9.2 consider candidates on merit, against objective criteria with due regard for the benefits of diversity on the Board, including gender; and
  - 7.9.3 ensure that once appointed, appointees have enough time available to devote to the position of director.

**MALAYSIAN GENOMICS RESOURCE CENTRE BERHAD**

(Company No. 652790-V)

(Incorporated in Malaysia)

(Terms of Reference of Nomination and Remuneration Committee - cont'd)

- 7.10 For the appointment of a Chairman, the NRC shall prepare a job specification for the position, which shall include the expected time commitment. A 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.
- 7.11 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.

The NRC shall also make recommendations to the Board on: -

- 7.12 formulating plans for succession for both executive and non-executive directors and senior management in particular, for the key roles of Chairman and Managing Director;
- 7.13 suitable candidates for the role of the Senior Independent Director;
- 7.14 membership of board committees as appropriate, in consultation with the chairmen of those committees;
- 7.15 the re-appointment of any non-executive director at the conclusion of his/her specified term of office, having given due regard to his/her performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required;
- 7.16 the re-election by shareholders of directors under the annual re-election provisions or the retirement by rotation provisions in the Company's Articles of Association, having due regard to his/her performance and continued ability to contribute knowledge, skills and experience to the Board;
- 7.17 any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the company, subject to the provisions of the law and their service contract;
- 7.18 the appointment of any director to executive or other office;
- 7.19 the review of training programmes for the Board and induction programmes for new directors;
- 7.20 the determination of the framework or broad policy for the remuneration of the managing director, the executive directors, the senior management and such other members of the executive management as may be identified by the

**MALAYSIAN GENOMICS RESOURCE CENTRE BERHAD**

(Company No. 652790-V)

(Incorporated in Malaysia)

(Terms of Reference of Nomination and Remuneration Committee - cont'd)

Board at its discretion. The remuneration of non-executive directors shall be a matter for the consideration of the chairman and the executive members of the board. No director or manager shall be involved in any decisions in relation to their own remuneration; and

7.21 the review of the ongoing appropriateness and relevance of the remuneration policy referred to above, having regard to independent professional advice if deemed necessary.

**8. Reporting responsibilities**

8.1 The NRC Chairman shall report to the Board on its proceedings after each meeting on all matters within the scope of its duties and responsibilities.

8.2 The NRC shall make whatever recommendations to the Board it deems appropriate on any area within its terms of reference and/or where action or improvement is needed.

8.3 The NRC shall report to the Board on its activities, based on these Terms of Reference.

**9. Other matters**

The NRC shall be entitled to the services of a company 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 ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, or other regulatory requirements.

**10. Authority**

The NRC is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.