GDEX BERHAD
[Registration No. 200301028159 (630579-A)]

TERMS OF REFERENCE
OF THE
COMBINED NOMINATION AND REMUNERATION COMMITTEE

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1. Objectives

1.1. The Combined Nomination and Remuneration Committee ("**CNRC**" or "**the Committee**") was formed by the Board of Directors ("**the Board**") of the Company. Its primary function, in line with the Malaysian Code on Corporate Governance, is to assist the Board in the following areas:

(a) Propose new nominees for the Board - the actual decision as to who shall be nominated shall be the responsibility of the full Board after considering the recommendations of the Committee;

(b) Assess the effectiveness of the directors of the Company and its subsidiaries ("**Group**") on an ongoing basis;

(c) Review the effectiveness of the Group Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**") and Key Officers;

(d) Assess the size and composition of the Board;

(e) Recommend to the Board the remuneration package of Executive Directors and Non-Executive Directors of the Group to attract and retain talent;

(f) Recommend the engagement of external professional advisors to assist and / or advise the Committee, on remuneration matters, where necessary;

(g) Assist the Board to oversee the management processes and strategies designed to manage the impacts of the Group's operations on sustainability of environment, social and governance ("**ESG**").

2. Composition

2.1. The CNRC shall be appointed from amongst the Board and shall:

(a) comprise no fewer than three (3) members;

(b) comprise exclusively of Non-Executive Directors, a majority of whom are independent; and

(c) elect a Chairman from its members. The Chairman shall be an Independent Non-Executive Director or the Senior Independent Director.

2.2. In the event of any vacancy with the result that the number of members (including Chairman) is reduced to below three (3), the Board shall upon the recommendation of the CNRC to fill the vacancy within three (3) months. Therefore, a member of the Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he/she leaves.

3. Quorum and Meeting Procedures

3.1. The Committee shall meet at least once a year and may meet more frequently, as necessary.

3.2. The quorum for a meeting of the Committee shall be two (2) members. In the absence of the Chairman, the members present shall elect one of their number to chair the meeting.

3.3. The Secretary of the Company or his/her representative shall act as secretary to the Committee ("**the Secretary**"). In consultation with the Chairman, the Secretary shall prepare the agenda and circulate it, together with the relevant supporting papers, to Committee members at least one (1) week before each meeting.

3.4. The Secretary shall attend each Committee meeting, keep the minutes of the meeting, and circulate the minutes to Committee members and other members of the Board.

3.5. The Chairman shall report to the Board on the Committee's activities, significant matters considered and recommendations made. A summary of the Committee's activities for the relevant financial year, including details of training attended by the Board, shall be disclosed in the Annual Report.

3.6. Committee members may participate in a meeting by means of conference telephone, video conference or any other communication equipment that enables all persons participating in the meeting to hear one another. Such participation shall constitute presence in person at the meeting.

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

4. Advisers

4.1. The Committee is authorised by the Board to obtain professional advice, whether from within or outside the Group, at the expense of the Company, as and when necessary for the discharge of its responsibilities.

5. Responsibilities and Duties

5.1. In discharging its responsibilities, the Committee shall undertake the following duties:

(a) Review annually the mix of skills, experience, qualities and core competencies required of Non-Executive Directors, and ensure the relevant disclosure is made in the Annual Report.

(b) Assess annually the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual director.

(c) Assess annually the independence of the Independent Directors.

(d) Recommend to the Board fit and proper candidates for appointment as directors and, in making such recommendations, assess the following attributes or factors:

- (i) skills, knowledge, expertise and experience;
- (ii) professionalism;
- (iii) commitment (including time commitment) to effectively discharge his/her role as a director;
- (iv) contribution and performance;
- (v) background, character, integrity, and competence; 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; and
- (vi) Boardroom diversity including gender diversity.

(e) Review the term of office and performance of the Audit Committee and each of its members to determine whether they have carried out their duties in accordance with their terms of reference.

(f) Review Board diversity, including gender, age and ethnicity.

(g) Recommend to the Board the re-appointment or re-election of directors at the conclusion of their term of office or by rotation, in accordance with the Constitution of the Company.

(h) Consider candidates for directorship proposed by the Group CEO and, where practicable, by any other key officers, director or shareholder.

(i) Recommend to the Board directors to serve on Board Committees.

(j) Consider and recommend suitable persons for appointment as Group nominees to the boards of subsidiary and associate companies, and review their contribution annually.

(k) Consider and recommend measures to enhance the effectiveness of directors of the Group and its subsidiary and associate companies.

(l) Ensure that all directors and Key Officers receive appropriate continuous training to keep abreast of industry developments and changes in statutory and regulatory requirements, and to equip them with the knowledge and skills to contribute effectively to the Board.

(m) Review succession plans for the Chairman, the Group CEO and other Key Officers within the Group. The Group CEO shall provide the Committee annually with an assessment of Key Officers and their potential.

(n) Review and recommend the Group's Directors and Key Officers' Assessment and Remuneration Policy. In determining such policy, the Committee shall take into account all factors it considers relevant, including applicable legal and regulatory requirements. The Policy shall align with the Company's risk appetite and long-term strategic objectives, and a significant proportion of remuneration shall be structured to link rewards to both corporate and individual performance, with a view to promoting the long-term success of the Company.

(o) Recommend to the Board the remuneration package of Executive Directors, Principal Officers and Key Officers, in all its forms, and obtain external advice where required.

(p) Recommend to the Board the remuneration package of Non-Executive Directors. The individual concerned shall abstain from discussion of his or her own remuneration.

(q) Review the performance of Executive Directors, Principal Officers and Key Officers within the Group.

(r) Recommend the appointment and promotion of Key Officers, including the Executive Directors, Group CEO, CFO and other Key Officers within the Group; determine their salaries; and recommend such salary revisions, benefits and bonus schemes as the Committee considers necessary.

(s) Recommend suitable incentive plans for Executive Directors, Principal Officers and Key Officers based on key performance indicators developed by the Company.

(t) Advise the Board on the Group's risk appetite, tolerance and strategy in relation to sustainability risks, and ensure that such risks are adequately identified, assessed and captured within the Group's risk management framework.

(u) Review and recommend for the Board's approval strategies, policies, management processes, targets and performance measures relating to ESG sustainability matters.

(v) Review management's periodic reports on implementation progress.

(w) Review and recommend to the Board for approval the Company's annual sustainability report and any other public disclosures relating to sustainability.

(x) Carry out such other duties as may be delegated by the Board.

In carrying out its functions under this Terms of Reference, the Committee shall review, assess and make recommendations to the Board; however, ultimate authority and final decision-making power shall remain vested in the Board.

6. Procedures

6.1. The Committee shall adopt formal and transparent procedures for the appointment of directors, including the following:

(a) Prepare a description of the qualities, skills and experience sought in a new director appointment.

(b) Seek professional advice, where necessary, to identify a shortlist of suitable candidates, including candidates proposed by the Group CEO and, where practicable, by any other key officers, director or shareholder.

(c) Interview all candidates through at least two (2) Committee members, whose evaluations shall be circulated to all Committee members. A target appointment date shall then be determined.

(d) Assess whether each candidate satisfies the fit and proper criteria, including:
- i) character and integrity;
- ii) experience and competence; and
- iii) financial integrity and soundness.

(e) The Committee shall decide, by majority, whether to recommend the appointment to the Board.

(f) The Board shall decide on the appointment and, if approved, a Board resolution shall be passed and the nominee’s written consent to act shall be obtained. The nominee’s written consent to act, if appointed, shall be obtained.

6.2. The Committee shall regulate its own procedures in discharging its duties and responsibilities, and such procedures shall, where applicable, be consistent with the principles and requirements of the Malaysian Code on Corporate Governance.

7. Succession Planning

7.1. The Committee shall:

(a) Keep under review the leadership needs of the Company, including executive and non-executive leadership and Key Officers, to ensure the continued ability of the organisation to compete effectively.

(b) Give due consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company and the future skills and expertise required on the Board.

(c) Make recommendations to the Board on succession plans for Executive Directors and Key Officers, and in particular for the Group CEO.

(d) Make recommendations to the Board on the re-appointment of any Non-Executive Director at the conclusion of his or her term of office and the re-election of any director under the retirement-by-rotation provisions in the Constitution of the Company.

(e) Make such recommendations to the Board as may be necessary regarding the continuation in office, suspension or termination of service of any director of the Group, except where the employment of an Executive Director is subject to the terms of his or her service contract, and in relation to Key Officers where applicable.

8. Monitoring, Periodic Review and Disclosure

This Terms of Reference will be reviewed annually and as and when required. The Terms of Reference is available on the Company's website (please refer to https://tinyurl.com/4m3s6frr in the Company's website www.gdexpress.com for the policy).