GFM SERVICES BERHAD
(Company 1033141-H)

NOMINATION AND REMUNERATION COMMITTEE
TERMS OF REFERENCE

OBJECTIVE

The Nomination and Remuneration Committee ("NRC") is established to act as a committee of the Board of Directors ("the Board") to fulfill its fiduciary responsibilities as outlined in Chapter 15 of the ACE Market Listing Requirements ("Listing Requirements") and all other relevant directive as imposed by Bursa Malaysia Securities Berhad, and to assist the Board in the following areas:-

- Recruitment, retention, training and basically developing the best available directors suitable for the Company; and
- Management of Board's renewal and succession planning effectively.

1. COMPOSITION

1.1 The NRC shall fulfill the following requirements :

a) It must comprise of three (3) or more members;
b) All members of the NRC shall be non-executive directors with a majority of them being independent directors; and

1.2 Members of the NRC shall elect from among them a chairman, preferably the Senior Independent Director.

1.3 No alternate director can be appointed as member of the NRC.

2. AUTHORITY

The NRC shall have the authority and right, at the cost of the Company, to:

a) to have the resources which are required to undertake its duties;
b) have access to the relevant information and documents pertaining to the Company and its subsidiaries; and
c) seek independent professional or other advice, including Management of the Company, considered necessary.

3. MEETINGS

3.1 Meetings shall be held at least two (2) times annually, with due notice of issues to be discussed, or more frequently if circumstances so require the NRC to do so. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

3.2 A quorum shall consist of a majority of members for the time being, with a minimum of two (2) members. In the absence of the Chairman within fifteen (15) minutes of time set for meeting, the members present shall elect a Chairman for the meeting from amongst the members present.

3.3 The NRC members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

3.4 The NRC may require the members of management to attend any of its meetings as it determines.

3.5 Other Directors and employees may attend any particular meeting only at the NRC's invitation, specific to the relevant meeting.

3.6 The Company Secretary shall be the Secretary of the NRC or in his absence, another person authorised by the Chairman of the NRC.

3.7 Questions arising during the meeting shall be decided by a majority of votes of members present, and in the case of equality of votes, the Chairman shall have a second or casting vote.

5.0 DUTIES AND RESPONSIBILITIES

The NRC shall, amongst other, discharge the following functions:

5.1 <u>New appointments of Directors and/or senior management role</u>
To consider and recommend to the Board suitable candidates, taking into account skills, knowledge, expertise, experience, time, commitment, character, professionalism and integrity.

5.2 <u>Evaluate the size and balance of the Board</u>
a) To review the balance of the Board in terms of skills, knowledge, experience and diversity.
b) To have in place a policy on Board composition having regard to the mix of skills, independence, and diversity (including gender diversity) required to meet the needs of the Company.

5.3 <u>Re-election, re-appointment, resignation or termination</u>
To evaluate the suitability of directors who are due for re-election at the general meetings of the Company, including the independent directors who are retained beyond nine (9) years.

5.4 <u>Annual assessments</u>
To establish and implement formal policies and procedures for annual assessments on:-
a) The required mix of skills, experience, diversity and other qualities, including core competencies and effectiveness of the Board, as a whole, the Board Committees and the contribution of each individual directors.

b) Training needs of the Directors.
c) Succession planning of the Board of Directors, particularly the Chairman of the Company, and the Managing Director/Chief Executive Officer.
d) Remuneration of Executive Directors and senior management of the Company and Group, with the aim of retaining and attracting these personnel.

5.5 Others:-

a) To identify suitable members to sit on the Company's Board Committees and to the role of the Senior Independent Director.
b) To review the necessary disclosures in relation to the activities of NRC for inclusion in the Annual Report, such as the remuneration policies and training
c) The Chairman of the NRC shall report on the outcome of each NRC meeting to the Board.
d) To carry out such other functions as may be agreed by the NRC and the Board.

6.0 OTHER MATTERS

6.1 Resolution in Writing

A resolution in writing, signed by all members of the NRC for the time being entitled to receive notice of a meeting of the NRC, shall be as valid and effectual as if it had been passed at a meeting of the NRC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.

6.2 Minutes

a) Minutes of each meeting shall be signed by the Chairman of the meeting at which proceedings were held or by the Chairman of the next succeeding meeting.
b) Minutes of each meeting, once signed, shall be distributed to the Board at the next meeting of the Board and shall be kept at the registered office of the Company.

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