

NOVA MSC BERHAD
Registration 200201024235 (591898-H)
(Incorporated in Malaysia)

**NOMINATION AND REMUNERATION COMMITTEE (“NRC”)
TERMS OF REFERENCE**

COMPOSITION OF THE NRC

1. Members of the NRC shall be composed of no fewer than two (2) members, exclusively of non-executive directors and a majority of whom are independent directors.
2. No alternate director shall be appointed as a member of the NRC.
3. The members of the NRC shall elect a chairman from among their number who shall be an independent director.

MEETINGS

1. The quorum shall be two (2) members and a majority of whom must be independent directors.
2. The NRC is at liberty to determine the frequency of its meetings, and the NRC may invite any person to be in attendance to assist in its deliberations.
3. Decision of the NRC may be made by a Circular Resolution in Writing, provided it is signed by a majority of the committee members. Any such resolution may consist of several documents in like form each signed by 1 or more NRC members. Any such document may be accepted as sufficiently signed by the NRC member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of the NRC member.
4. The Company Secretary or any other person appointed by the NRC shall be the Secretary of the Committee.

DUTIES AND RESPONSIBILITIES OF THE NRC

In terms of Appointment to the Board, the NRC should:-

1. to recommend to the Board new candidates for directorship and members for the Board’s Committee. To consider in making its recommendations, candidates for directorships proposed by the chief executive officer and within the bounds of practicability, by any other senior executive or any director or shareholder.

2. to assist the Board to review annually the required mix of skills and experience and other qualities of directors.
3. to assist the Board to assess annually the effectiveness of the Board as a whole and the Board's committees and contribution of each director.
4. to ensure that the composition of the Board of Directors is in compliance with regulations, guidelines and where possible, to be in line with recommended best practices
5. review the terms of office and performance of the Audit Committee and each of its member annually to determine whether the Audit Committee and its members have carried out their duties in accordance with the terms of reference.
6. perform such other functions as may be agreed to by the NRC and the Board of Directors.

In terms of Remuneration of the Board, the NRC should:-

1. to determine a procedure for developing a remuneration policy which will enable the Company to attract and retain directors with the relevant experience and expertise needed to run the Group successfully.
2. to review the remuneration policies of the Company to ensure alignment of directors and shareholders' interest in promoting the Company's progress.
3. recommend to the board the remuneration of the executive directors in all its forms, drawing from outside advice as necessary. The determination of remuneration packages of non-executive directors should be a matter for the board as a whole. The individual concerned shall abstain from deliberation of his own remuneration; and
4. perform such other functions as may be agreed to by the Remuneration Committee and the Board of Directors.

RIGHTS

The NRC shall, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

1. to deliberate any matter within its terms of reference;
2. have the resources which are required to perform its duties;
3. have full and unrestricted access to any information as may be required to discharge its functions; and
4. be able to obtain independent professional or other advice as necessary.

REVIEW OF THE NRC'S TERMS OF REFERENCE

The NRC shall periodically review and update its terms of reference to ensure compliance with regulatory and legal requirements, which will take precedence over any stipulation of the terms of reference, and in accordance with the needs of the Company/Group that may have an impact on the discharge of the NRC's duties and responsibilities.

The Board's approval is mandatory for any amendments to the terms of reference of the NRC.