



ASIA FILE CORPORATION BHD

(313192-P)

(Incorporated in Malaysia)

TERMS OF REFERENCE OF NOMINATION & REMUNERATION COMMITTEE

Composition

1. **Members**

The members of the Committee shall comprise exclusively of Non-Executive Directors and number at least three (3) in total, a majority of whom being independent.

2. **Chairman**

The Chairman of the Committee shall be an Independent Non-executive Director appointed by the Board.

3. **Secretary**

The Secretary of the Committee shall be the Company Secretary or any other person so appointed by the Committee from time to time.

Meetings

1. **Attendance**

The Executive Directors, members of Board Committee or Senior Management may be invited to attend meetings as necessary.

2. **Frequency of Meetings**

The Committee shall meet at least once a year. Additional meetings may be held as and when necessary.

3. **Mode of Meetings**

The meeting shall normally be conducted face to face to enable effective discussion and deliberation. However, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the Committee.

4. **Quorum**

The quorum of the Committee shall be at least two (2) members.

5. **Minutes of Meetings**

The minutes of meetings of the Committee shall be circulated to all members of the Board.

6. A member shall excuse himself / herself from the meeting during discussions or deliberation of any matter which may give rise to situation of conflict of interest. Where this causes a lack of quorum, the Committee may appoint another suitable candidate.

Advisers

The Committee is authorized by the Board to appoint professional advisers and to seek appropriate professional advice inside and outside the Group as and when it considers this necessary.

Functions and Responsibilities

1. To review the structure, size and composition of the Board with an aim to achieve a balance of views from the Board;
2. To review the required mix of skills and experiences and other qualities including core competencies and time commitment of the members of the Board;
3. To assess and made recommendation of new candidates to fill the seats on the Board and the various Board Committees taking into consideration their skills, knowledge, expertise, experience, integrity and any other qualities deem necessary for effective discharge of duties and responsibilities;
4. To continuously assess and review the independence of the directors in delivering their judgment and decisions;
5. To develop, maintain and review the criteria for evaluating Board and Board Committees' performance;
6. To conduct annual performance evaluation and assessment on the effectiveness of the Board and each Board Committee in discharging its duties and responsibilities;
7. To ensure that orientation and education program are provided to new Board members and training needs for the existing members are met;
8. To review and recommend to the Board a transparent and equitable remuneration policy and framework for the directors and Senior Management of the Group which will link rewards to company and individual performances; and
9. Review and if deemed appropriate, endorse the Board's approval on the salary increment framework and annual bonus for the directors and Senior Management of the Group and ensure alignment of compensation to company performance and compensation offered is in line with market practice.

These Terms of Reference were adopted by the Board on 30 November 2017.