

NOMINATION COMMITTEE

1. OBJECTIVES

1.1 The Nomination Committee (“**NC**”) is established by the Board to provide, in accordance with its Terms of Reference, a set of formal and transparent procedures for amongst others, the following objectives:

- a) provide oversight functions to assist the Board on matters relating to appointment, removal and performance of Directors and key responsible persons of the Management;
- b) select suitable person to be appointed to fill the position of Managing Director, Executive Directors, non-executive Directors and selected key responsible persons of the Management which will enable the Group to be managed effectively in accordance with to the Group’s business strategy and long-term growth plan and corporate objectives.

1.2 In discharging its roles and responsibilities, amongst others, the NC shall:

- a) recommend to the Board, suitable candidate(s) to be appointed as Director(s) (either as an executive, non-executive or Independent Director).
- b) evaluate and consider various factors, before making any recommendations, candidate(s) proposed by the existing Board members, senior management or major shareholders.
- c) evaluate and consider suitable Board’s member(s) to fill seats on the Board and Board Committees.
- d) assess annually the effectiveness of the Board, Board Committees as a whole and the performance of the Directors of the Company and key responsible persons of the Group’s Management; and
- e) review and assess the “independence” of the Independent Directors of the Company.

2. FUNCTIONS

2.1 The NC shall give due consideration to the orderly transition and succession planning for Directors, Managing Director, Executive Directors and other key responsible persons of the Management, taking into account the challenges and opportunities facing the Group and capabilities and competencies needed for the effective functioning of the Board and Management in the future.

2.2 The NC shall be responsible for identifying and make recommendation to the Board on new candidates for election/appointment to the Board or to fill Board vacancies as and when they arise.

2.3 The NC and the Board should use a variety of approaches which include but not limited to sourcing from a directors' registry and open advertisements or the use of independent search firms pursuant to Practice 5.6 of the Malaysian Code on Corporate Governance.

2.4. Other Key Functions relating to Nomination matters

- a) To identify, consider and recommend to the Board suitable candidates for appointment as Directors of the Company. In making a recommendation to the Board on the candidates for directorship, the NC should consider the candidates:-
 - (i) age, cultural background and gender;
 - (ii) skills, knowledge, expertise, competency and experience as well as wide range of backgrounds of the candidates;
 - (iii) commitment (including time commitment), contribution and performance;
 - (iv) reputation, integrity, professionalism and any potential conflict of interest; and
 - (v) in the case of candidates for the position of Independent Director, the NC shall also evaluate the candidates' ability to discharge such responsibilities / functions as expected from Independent Director.
- b) To review on an annual basis, or as required, the correct mix of skills, business and professional experiences including diversity in terms of gender, cultural background and age that should be added to the Board.
- c) To ensure that all newly appointed Director(s) undergo appropriate familiarisation program and that all Directors undergo relevant training programs for the continuous professional development.
- d) To appraise the effectiveness of each individual Director including Independent Directors as well as the Managing Director, Executive Directors in terms of their age, experience, knowledge, credibility and credentials, and assess their effectiveness and contribution in carrying out their obligations and duties as a Board member of the Company. All assessments and evaluations carried out by the NC in the discharge of all its functions should be properly documented.
- e) To examine the ability of each Director to contribute to the effective decision-making process of the Board and ensure that the Board is functioning actively, efficiently and effectively in its decision making including to review the attendance of each Director at meetings of the Board and Board Committees.
- f) To review annually, the term of office and performance of Audit and Risk Management Committee ("**ARMC**"), Remuneration Committee ("**RC**") and each of its members to determine whether such ARMC, RC and its members have carried out their duties in accordance with their Terms of Reference.
- g) To assess the effectiveness of the Board as a whole and the Board Committees.

- h) To review and assess the independence of the Independent Directors and to ensure the Directors are not disqualified under relevant regulations.
- i) To recommend for approval by the Board concerning the re-election/re-appointment of Director retiring by rotation at Annual General Meeting (“**AGM**”) as well as filling casual vacancy pursuant to the Company’s Constitution.
- j) Review and recommend the continuation in office of Independent Director who has served for a period of nine (9) years as an Independent Director at AGM.
- k) To review and oversee the succession planning of the Board and key senior management team from time to time, taking into account the challenges faced by and/or opportunities available to the Company, the skills and knowledge, including diversity needed by the Board in future, as well as to make recommendations to the Board on succession planning policy for key senior management.
- l) To make recommendations to the Board on the necessary changes based on the review and assessments to the adequacy and relevance of the key duties and responsibilities of the Board and senior management annually.
- m) To review of the performance of the Board and senior management in addressing the Company’s material sustainability risks and opportunities.
- n) To review female personnel’s participation in key senior management.
- o) Review and recommend any changes to the Fit and Proper Policy and Procedures.
- p) To carry out such other functions or assignments as may be delegated by the Board from time to time.

3. COMPOSITION OF THE NC

- a) The Board shall elect the NC members from amongst themselves.
- b) The NC shall comprise of at least 3 Directors, exclusively comprising non-executive Directors, with a majority of whom must be Independent Directors.
- c) Alternate Director shall not be a member of the NC but can attend meeting by invitation.
- d) The Chairman of the Board shall not be a member of the NC.

4. CHAIRMAN OF THE NC

- a) The members of the NC shall elect a Chairman from amongst its members who must be an Independent Director Non-Executive Director or Senior Independent Non-Executive Director.
- b) The Board shall approve the appointment of the elected Chairman of the NC.

- c) The Chairman of the NC, amongst others, shall lead in the:
 - (i) succession planning and appointment of Board members, including the future Chairman, Managing Director, Executive Directors and other key senior management team of the Group; and
 - (ii) review of effectiveness of the Board and Board Committees annually, ensuring that the performance of each individual Director is independently assessed.
- d) In the event of vacancy in an NC member, the Board shall fill the vacancy within three (3) months. A member who wishes to retire or resign from the NC shall endeavor to provide notice of three (3) months to the Chairman of the Board so that a replacement can be identified and appointed before he vacates office as a member.

5. MEETINGS OF THE NC

5.1 Meetings

- a) The NC shall meet at least once a year or more frequently as deemed necessary and expedient by its Chairman.
- b) In the event issues requiring the NC's decision arise in between meetings, such issues shall be resolved through written resolutions. Such written resolutions in writing shall be valid and effectual if they are signed or approved by letter, facsimile or any electronic means by a majority member of the NC.
- c) For meetings (except in the case of an emergency), reasonable notice shall be given in writing to all the members of the NC.
- d) Other Board members, Managing Director, Executive Directors and other key responsible persons of the Management may be invited to attend the NC's meetings.
- e) Notice and agenda of the meeting shall be approved by the Chairman and thereafter circulated by the Secretary to all NC's members at least five (5) business days prior to the time appointed for the meeting.
- f) The decision of the NC shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote. However, at meetings where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue, the Chairman shall not have a casting vote..

5.2 Quorum

- a) The quorum of the NC meeting shall two (2) members whom must be an Independent Director.
- b) In the event, the Chairman of the NC is not able to attend any meeting; a member of the NC shall be nominated to chair the meeting.

5.3 Secretary of the NC

- a) The Company Secretary or another person approved by the Board shall be the Secretary of the NC.
- b) The Secretary shall be responsible, with the concurrence of the Chairman of the NC, for drawing up and circulating the agenda and the notice of meetings and draft minutes together with the supporting explanatory documentation to all members of the NC prior to the each meeting and shall be entrusted to record all proceedings and minutes of all meetings of the NC.
- c) The Secretary shall maintain the minutes of NC meetings (after being signed by the Chairman as a correct of the proceedings).

5.4 Minutes of Meetings

- a) Every meeting of the NC must be recorded either by the Company Secretary or any other person approved by the NC and such minutes must be confirmed by the NC at the next succeeding NC meeting.
- b) Minutes of each meeting signed by the Chairman of that meeting or by the Chairman of the next succeeding meeting shall be evidence of the proceedings that the meeting was duly convened and held.

6. REPORTING RESPONSIBILITIES

- a) The NC's Chairman shall report to the Board on its proceedings after each meeting on all matters within the scope of its duties and responsibilities and table its minutes for notation by the Board.
- b) The NC 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.
- c) The NC shall report to the Board on its activities, based on its Terms of Reference.

7. REVIEW OF THE NC

The term of office and performance of the NC and each of its members shall be reviewed annually by the Board to access whether the NC and its members have carried out their duties in accordance with their Terms of Reference.

The Terms of Reference may from time to time be amended as required, subject to the approval of the Board.

