

# **TERMS OF REFERENCE OF NOMINATION COMMITTEE**

## **1. Members**

The Committee shall be appointed by the Board of Directors and shall consist of not less than 2 members of which comprising exclusively non-executive directors, the majority of whom shall be independent directors.

In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months.

The Board of Directors must review the term of office and performance of the Committee and each of its members at least once a year to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

## **2. Chairman**

The Chairman shall be elected by the Committee from among their members.

## **3. Functions**

The Committee shall:-

- i. recommend the Board of Directors, candidates for all directorships to be filled by the shareholders or the Board of Directors. In making its recommendations, the nomination committee should consider the candidates’:-
  - skills, knowledge, expertise and experience;
  - professionalism;
  - integrity; and
  - in the case of candidates for the position of independent non-executive directors, the nomination committee should also evaluate the candidate’s ability to discharge such responsibilities/functions as expected from independent non-executive directors;
- ii. 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;
- iii. recommend to the Board of Directors, directors to fill the seats on board committees;

- iv. assess annually the effectiveness of the board as a whole, the committees of the board and the contribution of each existing individual director and thereafter, recommend its findings to the Board of Directors;
- v. review annually the required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the board and thereafter, recommend its findings to the board; and
- vi. apply the process as determined by the Board of Directors, for assessing the effectiveness of the board as a whole, the committees of the board, and for assessing the contribution of each individual director, including independent non-executive directors, as well as the chief executive officer where all assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.

#### 4. **Structures and Procedures**

The Committee should meet regularly, with due notice of issues to be discussed and should record its conclusion in discharging its duties and responsibilities. The Committee should disclose the number of committee meetings held in a year and the details of attendance of each individual member in respect of meetings held. The quorum shall be 2 members with majority of independent directors.

The Committee should have a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the Committee is firmly in its hands.

The Committee should be entitled to the services of a secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Board of Directors, both the Company's own records and for the purposes of meeting statutory requirements, as well as obligations arising from the Listing Requirements of Bursa Malaysia Securities Berhad and/or other regulatory authorities.

#### 5. **Access to Advice**

In furtherance to their duties as the Committee's members of the Company, there should be an agreed procedure for the members, whether as a full Committee or in their individual capacity, to take independent professional advice at the Company's expense, if necessary.

## **Selection and Assessment of Directors**

The NC is primarily responsible for the proposing of new nominees for the Board and for assessing the performance of the members of the Board on an on-going basis.

The following are the members of the Nomination Committee:

Mr Frederick Ng Yong Chiang	Chairman
Mr Choong Keen Shian	Member
Mr Loh Wee Ching	Member

The function of the NC, amongst others, is to recommend to the Board, candidates for directorships or Board Committee members. In addition, the Committee reviews the profile of the skills and experience of each individual director of the Board of Directors and various Committees and to assess the effectiveness of the Board as a whole.

NC's other function includes reviewing the Board's succession plans. NC is mindful of the importance of succession planning for the members of the Board and key personnel Management and NC is always keep in view of suitable candidates for those roles.

Annually, the NC reviews the overall composition of the Board in terms of appropriate size, required mix of knowledge, skills, experiences and core competencies and adequacy of balance between Executive Directors and Independent Non-Executive Directors. As part of the recruitment process and annual assessment of directors, the NC will review the professionalism, integrity, honesty, competency, commitment, contribution and performance and ensure no conflict of interest arises that would impair their ability to represent the interest of the Company's Shareholders and stakeholders and to fulfill the responsibilities of a director. The NC will also consider a mix of Board members that represent a diversity of background and experience.

The NC also evaluated the effectiveness of the Board as a whole, the various Committees and assessing the contribution of each individual director annually by using peer assessment and self-assessment methods. Good and effective communications were established among Board members and Board Committee members on official and unofficial basis and major policies and corporate proposals are discussed and scrutinized before putting to a vote. All members of the Board and Committees have been diligent and exercised due reasonable care in discharging their duties and responsibilities.

In order to achieve the above, NC also reviews and recommends the suitable training programmes to the members of the Board. For the financial year ended 31 December 2016, the Committee held (1) meeting. The Committee meets in a need basis.

## 1. Board Gender Diversity Policies

The Board has always placed gender diversity as an agenda in strengthening the performance of its Board and Board Committees. The Board is of the view that while it is important to promote gender diversity, the normal selection criteria of a Director, based on effective blend of competencies, skills, extensive experience and knowledge in areas identified by the Board, should remain a priority so as not to compromise on qualification, experience and capabilities.

*Updated as at 24 February 2017.*