

## **NOMINATION COMMITTEE –TERMS OF REFERENCE**

### **CONSTITUTION AND PURPOSE**

The Nomination Committee was established on 25 June 2001. The Nomination Committee's primary function among others is to propose new nominees for the Board and to assess the existing Directors on an on-going basis. The ultimate decision as to who shall be nominated should be the responsibility of the full Board after considering the recommendations of the Committee.

### **COMPOSITION**

The Nomination Committee comprises at least three (3) members who are exclusively Non-Executive Directors and majority of whom are Independent Directors.

### **RIGHTS**

The Board must ensure that whatever necessary and reasonable for the performance of its functions, the Nomination Committee has the following rights:

- (i) to the resources which are required to perform its duties;
- (ii) full and unrestricted access to any information pertaining to the directors and employees of the Company and the Group;
- (iii) direct communication channels with key management staff such as personnel, accounts, secretarial or independent consultants engaged by the Company; and
- (iv) to obtain independent professional or other advice at the expense of the Company.

The Board has however full power to decide on the suitability of the nominees and approve their appointments.

### **FUNCTIONS**

- (i) To recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board. In making the recommendations, the Committee will also consider candidates proposed by directors, senior management, shareholders or third party referrals. In making its recommendations, the Committee shall assess and consider the following-
  - the candidate's resume, curriculum vitae and qualification and time to effectively discharge his/her role as a Director of the Company;
  - character, integrity, competence, wisdom, ability to work as a team to support the Board, understanding of the business environment and in the case of candidates for the position of Independent Non-Executive Directors, the independence and

ability to discharge such responsibilities as expected from the Independent Non-Executive Director;

- whether the candidate has any conflict of interest with the Company;
- any other relevant criteria as may be determined by the Nominating Committee from time to time.

- (ii) Recommends to the Board, directors to fill the seats on the Board Committees;
- (iii) To review the required mix of skills and experience and other qualities, including core competencies which the Non-Executive Directors should bring to the Board;
- (iv) To recommend to the Board the re-election or re-appointment of a Director retiring by rotation or pursuant to Section 129 of the Companies Act, 1965 at the Annual General Meeting.
- (v) Assesses on an annual basis the following matters:
  - a. The effectiveness of the Board as whole;
  - b. The Committees of the Board; and
  - c. The contribution of each individual Director.

The assessment process should be pre-determined by the Board.

- (vi) To review the Board size, Board balance and determine if additional Directors are required and also to ensure that at least one-third (1/3) of the Board is independent.
- (vii) To assess independence and apply these criteria upon admission, annually and when any new interest or relationship develops.
- (viii) To facilitate the development of succession planning policy and ensure that the policy is kept under review. Any changes to the succession planning and its policy should be subjected to the endorsement of the full Board;
- (ix) To recommend to the Board the training programmes for directors from time to time.
- (x) To introduce any policy or guidelines which would enable the smooth administration and effective discharge of the Committee's duties and responsibilities.
- (xi) To furnish a report to the Board of any findings of the Committee.

## **MEETINGS**

- (1) Meetings of the Nomination Committee should be held when necessary but at least once a year or more frequently as circumstances required and each meeting must be attended by at least two (2) members.

- (2) The quorum for the meeting shall be two (2) members.
- (3) In the absence of the Chairman, the members present shall elect one of their members to chair the meeting.
- (4) The Company Secretary is the Secretary of Nomination Committee. The Secretary shall maintain minutes of the proceeding of the Committee and circulate such minutes to all members of the Board.

### **CIRCULAR RESOLUTION**

A resolution in writing signed by a majority of all members shall be valid and effectual as if it had been passed at a meeting of the Nomination Committee. All such resolutions shall be described as “Members’ Circular Resolutions” and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in the like form, each signed by one (1) or more members. The expressions “in writing” or “signed” include approval by legible confirmed transmission by facsimile, telex, cable, telegram or other forms of electronic communications.