

Updated on 18 July 2018

Appendix 'D'



TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

1. Composition of members

The Board of Directors (the "**Board**") shall elect the Nomination Committee members from amongst themselves, which comprises exclusively of Non-Executive Directors, a majority of whom are Independent. The term of office of the Nomination Committee shall be for such time as determined by the Board and may be re-nominated and appointed by the Board from time to time. The appointment of a committee member terminates when the member ceases to be a Director.

2. Chairman

The Chairman of the Nomination Committee (the "**Chairman**") shall be an Independent Non-Executive Director or Senior Independent Director approved by the Board.

3. Secretary

The Secretary of the Nomination Committee shall be the Company Secretary of the Company.

4. Meetings

The Nomination Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. In addition, any member of the Nomination Committee may call for additional meetings where deemed necessary to address a matter within the scope of the Nomination Committee. If a member is unable to be physically present, the member may choose to participate via video or teleconferencing.

Notice of the Nomination Committee meetings shall be given to all Nomination Committee members and invitees. The Secretary of the Nomination Committee, in consultation with the Chairman, shall draw up the agenda of the meeting. The agenda, together with the relevant papers, should be targeted to be circulated at least seven (7) days prior to each Committee meeting.

In the absence of the Chairman, the other members of the Nomination Committee shall from amongst themselves elect a Chairman who must be an Independent Director to chair the meeting.

Matters arising at any Meeting shall be decided by a majority vote, each member having one (1) vote. In the event of equality of votes, the Chairman of the Nomination Committee shall have a casting vote. However, at Meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairman will not have a casting vote.

5. Minutes

The Nomination Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Nomination Committee.

Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes of the Nomination Committee meeting shall be circulated to all Board members.

6. Quorum

The quorum for the meeting of the Nomination Committee shall be at least two (2) members of which the majority shall be Independent Directors.

7. Reporting

As a reporting procedure, the minutes of each Nomination Committee meeting shall be tabled for the Board's notation and circulated to all members of the Board once the minutes have been confirmed by the Nomination Committee.

The Nomination Committee shall report to the Board, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at the next Board meeting after each Nomination Committee meeting.

The Nomination Committee shall report to the Board on any specific matters referred to it by the Board.

Disclosure on the Nomination Committee's activities for the financial year shall be prepared pursuant to Paragraph 15.08A(3) of the Listing Requirements of Bursa Malaysia Securities Berhad.

8. Authority

The Nomination Committee shall have access to such information and advice, including legal or other professional advice, both from within the Company and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Board and at the expense of the Company. The Nomination Committee may request other Directors, members of Management, counsels, consultants as appropriate, to participate at Nomination Committee meetings to assist the Nomination Committee in carrying out its responsibilities.

9. Duties and Responsibilities

The duties and responsibilities of the Nomination Committee are as follows:

- to recommend to the Board, on an annual basis, the optimum size and balance of the Board and Board Committees, in terms of the mix of skills, independence, diversity (including gender, age and ethnicity) and other qualities required to facilitate the effective and efficient functioning of the Board, including core competencies of Non-Executive Directors;
- to formalise a transparent procedure for proposing, selecting and appointing new candidates to the Board and Board Committees.
- to consider, in making its recommendations, candidates for directorships proposed by any Director or shareholder;

- to assess and recommend to the Board, candidates for directorships of the Board and membership of Board Committees, including candidates proposed by any Director or shareholder, as well as Director due for re-election and/or re-appointment. In making its recommendations, the Nomination Committee shall consider the candidates':
 - character, competence in terms of skills, knowledge and expertise as well as experience;
 - professionalism and integrity;
 - performance and contribution;
 - number of directorships and other external obligations which may affect the Director's commitment, including time commitment and value contribution; and
 - in the case of candidates for the position of Independent Directors, the Nomination Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Directors;
- to formalise procedures on Director selection, appointment and succession policies and procedures, including the re-election and re-appointment process;
- to ensure on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out the expected contribution and performance expected of him/ her;
- to consider and recommend to the Board the terms of service of Executive Directors;
- to facilitate appropriate and adequate training and induction for newly appointed Directors with respect to the business, structure and Management of the Company;
- to establish a mechanism for, and facilitate the implementation of, the formal annual assessment on the Board as a whole, Board Committees and individual Director based on established criteria and ensure the assessments are documented;
- to conduct assessment annually on the independence of each of the Independent Non-Executive Director to ensure he/she is continually fit and maintain independence in order to provide appropriate scrutiny and impartial judgement;
- to review annually the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee has carried out its duties in accordance with its Terms of Reference.
- to facilitate training needs analysis based on assessment results and recommend to ensure Directors receive appropriate continuous training in order to maintain an adequate level of competency to discharge their responsibilities and that they are kept abreast of all regulatory changes and developments in the business environment;

- to develop, maintain and review the criteria to be used in the assessment of the Board, Board Committees, individual Directors (including independence assessment), and the candidates subjected to the selection and nomination process (including re-election and re-appointment);
- to recommend to the Board the removal of Director if the Director is found ineffective, errant or negligent in discharging his or her duties;
- to consider and examine such other matters as the Nomination Committee considers appropriate; and
- to consider any other matters as delegated by the Board.