

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

### **1.0 OBJECTIVE**

- 1.1 The Nomination Committee, a Committee of the Board of Directors (“Board”) of Pasdec Holdings Berhad is established primarily:-
- (i) To identify, select, nominate and recommend to the Board, candidates for directorships of the Company and its subsidiaries (“Group”);
  - (ii) To evaluate the effectiveness of the Board, Board Committees and contributions of each individual director; and
  - (iii) To ensure an appropriate framework and plan for Board and Management succession for the Group.

### **2.0 MEMBERSHIP**

- 2.1 Members of the Nomination Committee shall be appointed by the Board from amongst the directors of the Company and shall comprise of at least three (3) members, all of whom shall be non-executive directors with the majority being independent directors.
- 2.2 Chairman of the Nomination Committee shall be an independent director. Malaysian Code on Corporate Governance 2012 (“Code”) recommends Chairman to be a senior independent director identified by the Board.
- 2.3 The appointment of a Committee Member terminates when the member ceases to be a director, or as determined by the Board.
- 2.4 The Nomination Committee shall have no executive powers.

### **3.0 AUTHORITY**

- 3.1 The Nomination Committee has the authority to examine issues as stated in its terms of reference and report back to the Board with recommendations.
- 3.2 The Nomination Committee, whenever necessary and reasonable for the performance of its duties, shall in accordance with the same procedures adopted by the Board and at the expense of the Group:-
- (i) Have the resources which are required to perform its duties;
  - (ii) Have full and unrestricted access to any employee and information pertaining to the Group; and

- (iii) Be able to engage independent professional advisers or other advisers and to secure attendance of outsiders with relevant experience and expertise if deemed necessary or expedient.

#### **4.0 MEETINGS**

- 4.1 Meetings shall be held at least once (1) a year and/or when required and to be attended by the members of the Nomination Committee. The Committee may establish any procedures from time to time to govern its meetings, keeping of the minutes and its administration.
- 4.2 The quorum for the meeting of the Nomination Committee shall be two (2) members.
- 4.3 A meeting shall normally be conducted face-to-face to enable effective discussion. However, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the Nomination Committee.
- 4.4 The Company Secretary shall be the Secretary of the Committee.
- 4.5 The Nomination Committee has the discretion to invite other directors who are non-members, the Managing Director (“MD”), Chief Executive Officer (“CEO”), members of Management, professional adviser, counsels and consultants as applicable, to participate in Committee meetings, as and when necessary, in order to carry out the Committee’s responsibilities.
- 4.6 In the absence of the Chairman at a meeting of the Nomination Committee, the remaining members present shall elect a Chairman from amongst them to chair the meeting.
- 4.7 The Committee shall cause minutes to be entered in the books provided for the purpose of all resolutions and proceeding of all meetings of the 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.
- 4.8 The books containing the minutes of the proceeding of any meeting of the Committee shall be kept at the registered office of the Company.
- 4.9 Minutes of the Nomination Committee shall be tabled at the meeting of the Board.
- 4.10 The Nomination Committee, through its Chairman, shall report to the Board at the next Board meeting after each Committee meeting. When presenting any recommendation to the Board, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision. The Committee shall provide such information to the Board as deemed necessary to assist the Board in making a disclosure in the Annual Report in accordance with the recommendations of the Code.

## 5.0 DUTIES AND RESPONSIBILITIES

- 5.1 The duties and responsibilities of the Nomination Committee shall include the following:-
- (i) To determine and review the criteria for Board membership including experience, skills, education, time commitment and other qualities that will best qualify a candidate to serve on the Board;
  - (ii) To consider, evaluate and propose to the Board any new appointments, whether of executive or non-executive position. In making a recommendation to the Board on the candidate for directorship, the Committee shall have regard to:-
    - a) the size, balance, composition, mix of skills, experience, core competencies and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board and Group; and
    - b) non-executive directors should be persons of calibre, credibility and have the necessary skills and experience to bring an independent and objective judgment on issues considered by the Board and that independent non-executive directors should make up at least one-third of the membership of the Board.
  - (iii) To make recommendations to the Board on candidates for Board Committees;
  - (iv) To review annually the Board structure, size, composition and the balance between executive directors, non-executive directors and independent directors to ensure that the Board has the appropriate mix of skills and experience including core competencies which directors should bring to the Board and other qualities to function effectively and efficiently;
  - (v) To review annually the terms of office and performance of the Audit Committee and its members and to determine whether the Audit Committee and its members have carried-out their duties in accordance with the terms of reference;
  - (vi) To evaluate and recommend the appointment of MD, CEO and Senior Management and their duties and the continuation (or not) of their services;
  - (vii) To establish and implement the criteria and process for assessing the effectiveness of the Board as a whole, the Committees of the Board and for assessing the contribution and performance of each director and independence of each independent director;
  - (viii) To recommend to the Board:-
    - a) whether directors who are retiring by rotation should be put forward for re-election;

- b) termination of membership of individual directors in accordance with policy, for cause or other appropriate reasons; and
  - c) removal of a director or MD and/or CEO from the Board or management respectively in the event the director or MD and/or CEO is inefficient, errant and/or negligent in discharging his/her responsibilities.
- ix. To establish appropriate frameworks and plans for succession at Board level as well as senior executives and management level;
  - x. To recommend to the Board a policy on gender diversity in the Board;
  - xi. To provide the directors access to adequate training for continual education including orientating new directors with respect to the business, structure and management of the Group as well as the expectations of the Board with regards to their contribution to the Board and Group; and
  - xii. To consider other matters as referred to the Committee by the Board.