

CAB CAKARAN CORPORATION BERHAD

(Company No. 583661-W)

(Incorporated in Malaysia)

NOMINATION COMMITTEE**TERMS OF REFERENCE**

The Nomination Committee was established on 6 February 2004.

These Terms of Reference shall supersede all previous established terms of reference.

The Nomination Committee (“NC”) is governed by the following Terms of Reference:-

1.0 Authority and General Scope

1.1 The Board has constituted the NC with the authorities necessary to perform the duties as outlined in these Terms of Reference.

1.2 The NC is authorised to assess and propose new nominees for the Board and further empowered to assess the existing directors on an on-going basis. The actual decision as to who shall be nominated shall be the responsibility of the full Board after considering the recommendations of the Committee.

1.3 The NC in carrying out its tasks under these Terms of Reference may obtain such external or other independent professional advice as it considers necessary to carry out its duties.

1.4 The Board will ensure that the NC has access to professional advice at the Company’s expense in order for it to perform its duties.

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

2.0 Membership

2.1 The NC shall consist of not less than 3 Directors appointed by the Board of Directors, all of whom should be exclusively Non-Executive Directors, a majority of whom must be independent.

2.2 The Chairman of the NC shall be appointed by the Board and he should be the senior independent director as identified by the Board. In the absence of the Committee Chairman, the remaining members present shall elect one of their members, who shall be an Independent Non-Executive Director to chair the meeting.

2.3 If the number of members, for whatever reasons, falls below three (3), the Board of Directors shall, within three (3) months of the event, appoints such number of new members as may be required to make up the minimum number of three (3) members.



- 2.4 A member who wishes to retire or resign from the NC shall notify the Board in writing, giving at least one (1) months' notice.
- 2.5 The office of a member shall become vacant upon the member's resignation/retirement/removal or disqualification as a Director of the Company or as determined by the Board.
- 2.6 The NC shall have no executive powers.

3.0 **Duties and Responsibilities**

- 3.1 Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board after taking into consideration the candidates' skills, knowledge, expertise, experience, professionalism, integrity and women candidates shall be sought as part of its recruitment exercise. In the case of candidates for the position of independent non-executive directors, the NC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.
- 3.2 The NC shall also consider candidates for directorships proposed by the Group Managing Director ("MD") and within the bounds of practicality, by any other senior management or any director or shareholder.
- 3.3 To determine the core competencies and skills required of Directors to best serve the business and operations of the Group as a whole and the optimum size of the Board to reflect the desired skills and competencies.
- 3.4 Assess, review and recommend to the Board, candidates to fill the seats on Board Committees. In assessing suitability of candidates, the qualities to look for are competencies, commitment, contribution and performance.
- 3.5 To evaluate and recommend the appointment of senior executive positions, including that of the MD or Chief Executive Officer ("CEO") and their duties and the continuation (or not) of their services.
- 3.6 Regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustment that are deemed necessary.
- 3.7 Assist the Board to do an annual assessment of the independence of its Independent directors.
- 3.8 Review the size and core competencies of Non-Executive Directors, 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.
- 3.9 Assist the Board to implement a procedure to be carried out by the NC to annually assess the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director, including independent non-executive directors and CEO. All assessments and evaluation carried out by the NC in the discharge of all its functions should be properly documented.

- 3.10 Conduct an annual review on the Board members, CEO, Chief Financial Officer and Key Senior Management of the required mix of skills, character, experience, integrity, competence and time to effectively discharge their roles.
- 3.11 Establish a clear succession plan and periodically reporting to the Board on succession planning for the Board Chairman and CEO. The NC should work with the Board to evaluate potential successors.
- 3.12 Make recommendations to the Board for the continuation (or not) in the services of any Director who has reached the age of 70 (seventy).
- 3.13 Recommend Directors who are retiring under the Articles of Association to be put forward for re-election.
- 3.14 Have due regard to the principles of governance and code of best practices.
- 3.15 Propose to the Board the responsibilities of non-executive directors, including membership and Chairpersonship of board committees.
- 3.16 Review its own performance, at least once a year, and recommend any necessary changes to its Terms of Reference.
- 3.17 Review the term of office and performance of the Audit Committee and each of its members.
- 3.18 Review the induction and training needs of Directors.
- 3.19 Assess the financial literacy of the Audit Committee Members to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

4.0 **Meetings**

The Company Secretary shall be the secretary of the Committee.

4.1 **Frequency of meetings and attendance**

- 4.1.1 Meetings of the NC will be held as the NC deems to be appropriate; however, the NC should meet at least once each year.
- 4.1.2 Meetings should be organised so that attendance is maximised.
- 4.1.3 A meeting may be called, at any other time, by the Chairman of the NC or any member of the NC. Any Director or management staff may be invited to the meetings.

4.2 **Quorum and voting**

- 4.2.1 The quorum for decisions of the NC shall be any two (2) members, including at least one independent Director, present and voting on the matter for decision.

4.2.2 Each member present shall have one vote. All resolutions passed in the meeting shall be by majority votes. If the votes for and against a resolution are equal, the Chairman of the meeting shall have a casting vote.

4.3 Notice of Meetings

4.3.1 Meetings of the NC shall be arranged by the Secretary at the request of the NC Chairman or any other member of the NC.

4.3.2 The notice of each meeting confirming the date, time, venue and agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the NC in advance of each scheduled meeting date. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

4.4 Minutes of Meetings

4.4.1 The Secretary shall minute the proceedings and resolutions of all meetings of the NC, including the names of those present and in attendance.

4.4.2 Minutes of all meetings shall be confirmed by the Chairman of the meeting and circulated to all the members of the NC. Such minutes signed by the Chairman of the NC shall be conclusive evidence without any further proof of the facts thereon stated.

4.4.3 If the Chairman of the NC so decides the minutes shall be circulated to other members of the Board, any Director may, provided that there is no conflict of interest and with the agreement of the Chairman, obtain copies of the NC's minutes.

4.5 Annual General Meeting

The Chairman (or in his absence, any of the member of the NC) of the NC shall attend the Annual General Meeting and be prepared to answer questions concerning the appointment of executive and non-executive Directors and the NC's work.

5.0 Reporting Procedures

5.1 The NC is authorised to regulate its own procedures and in particulars the calling of meetings, the notice to be given of such meetings, the voting and proceeding thereat, the keeping of minutes and the custody, production and inspection of such meetings.

5.2 The minutes of meetings shall be circulated by the Secretary of the Committee to the Committee members. The Chairman of the Committee shall report to the Board after each NC meeting.

The terms of reference were reviewed and approved by Board on 22 December 2017.