

## **CEKD BERHAD**

(Co. No: 201801023077 (1285096-M))  
(Incorporated in Malaysia)

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

#### **1. PURPOSE**

The principal objective of the Nomination Committee is to support and advise the Board of Directors in fulfilling their responsibilities to ensure the Board and the key management of the Company comprised individuals with the appropriate mix of qualifications, skills and experience.

#### **2. COMPOSITION**

- 2.1 The Board must appoint the members of the Committee from amongst its Directors comprise at least three (3) members exclusively of Non-Executive Directors, a majority of whom are independent.
- 2.2 The members of the Committee shall appoint the Chairman of the Committee who shall be an Independent Non-Executive Director of the Company.
- 2.3 The Company Secretary of the Company shall be the secretary of the Nomination Committee.

#### **3. CHAIRMAN OF THE COMMITTEE**

- 3.1 The members of the Committee must elect a chairman among themselves who is a senior Independent Director identified by the Board.
- 3.2 In the absence of the NC Chairman, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position.

#### **4. PRIMARY RESPONSIBILITIES**

- 4.1 The Committee's primary responsibilities include:
  - (a) assessing and recommending to the Board the candidature of Directors, appointment of Directors to Board Committees, taking into consideration of the recommendations from the Group Managing Director and/or the Group Chief Executive Officer;
  - (b) reviewing of Board's succession plans and training programmes for the Board;
  - (c) undertaking the assessment of the Board, Board Committees and individual Directors on an on-going basis; and

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- (d) undertaking annual assessment of the independence of Independent Directors in the Board beyond the Independent Director's background, economic and family relationships but considering they can continue to bring independent and objective judgement to Board deliberations.

### **5. FUNCTIONS OF THE COMMITTEE**

5.1 The Committee, amongst others, shall discharge the following functions:

- (a) identifying, nominating and orientating new Directors for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- (b) regularly review the structure, size and composition in respect of the mix of skills, independence and diversity (including gender diversity) of the Board required to meet the needs of the Company and make recommendations to the Board with regard to any changes;
- (c) reviewing on annual basis performance of the Audit Committee and each of its members and their term of office;
- (d) ensuring that the Board level recruitment matters are discussed in depth, allowing the Board to instead spend time on strategic and operational matters;
- (e) ensuring that the Company recruits and retains the best available Executive and Non-Executive Directors;
- (f) recommending to the Board, a nomination framework for the evaluation of the Board's and individual's performance for approval of the Board;
- (g) reviewing and recommending Directors who are retiring or retiring by rotation to be put forward for re-election at the general meetings;
- (h) reviewing and recommending the nomination or re-nomination of the Directors having regard to the Director's contribution and performance;
- (i) recommending to the Board, candidates for all directorship to be filled by the shareholders or the Board after taking into consideration the candidates, taking into consideration of the recommendation from the Managing Director and/or Group Chief Executive Officer:
  - Skills, knowledge, expertise and experience;
  - Professionalism;

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- Integrity;
  - Competencies;
  - Commitment;
  - Contribution,
  - Performance; and
  - In the case of the candidates for the position of the Independent Non-Executive Directors, the Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
- (j) recommending the Board, taking into consideration of the recommendation from the Managing Director and/or Group Chief Executive Officer, the candidates to fill the seats on board committees;
- (k) assisting the Board in annual review of the required mix of skills, experience, independence and boardroom diversity and other qualities, including core competencies which Independent Non-Executive Directors should bring to the Board.
- (l) assisting the Board in annual review of the effectiveness of the Board as a whole, the Board Committees and contribution of each individual Director, including Independent Non-Executive Directors and Managing Director or CEO;
- (m) reviewing and approving any new employment of related persons and the proposed terms of their employment, taking into consideration of the recommendation from the Managing Director and/or Group Chief Executive Officer;
- (n) recommending individuals, taking into consideration of the recommendation from the Managing Director and/or Group Chief Executive Officer, for nomination as members of the Board by assessing the desirability of renewing existing directorships. Due consideration should be given to the extent to which the interplay of the Director's expertise, skill, knowledge, experience, independence and boardroom diversity was demonstrated with those of other Board members;
- (o) ensuring that all Board appointees undergo an appropriate board induction and training programmes;
- (p) assessing and recommending to the Board, the Independent Directors' potentiality in the event of retaining as an Independent Director after serving in that capacity for a cumulative term of nine (9) years; and

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- (q) including a statement in the annual report about its activities, the membership of the Committee, number of Committee meetings, attendance of members over the course of the year, nomination and election process of Board members.
- 5.2 In exercising objectivity in the assessment process, the Committee members should not be influenced by major controlling shareholders or the Managing Director or Group Chief Executive Officer or Executive Directors.
- 5.3 The Board remains responsible for considering and approving recommendations from the Committee.
- 5.4 The Board should work together with the Committee to evaluate potential successors of Board Chairman and Managing Director and/or Group Chief Executive Officer.
- 5.5 Each Committee member should abstain from discussion or voting on any resolutions in respect of the assessment of his/her performance or re-nomination as Director.

## **6. QUORUM**

- 6.1 The quorum for all meetings of the Nomination Committee shall not be less than two (2) members.
- 6.2 A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretions vested by the Committee.

## **7. MEETINGS**

- 7.1 The Chairman shall ensure that the Committee meets with sufficient notice and frequency.
- 7.2 The Committee shall meet at least once (1) a year. More meetings may be conducted if the need arises. In addition to the regular scheduled meeting, the Chairman shall call a meeting of the Committee if so requested by any member of the Committee or by the Chairman of the Board.
- 7.3 The Secretary of the Committee is the Group Company Secretary (or his nominee).
- 7.4 The Secretary, in consultation with the Chairman of the Committee, shall draw up the agenda of the meeting. The agenda, together with the relevant papers, shall be circulated at least seven (7) days prior to each Committee meeting. The Secretary of the Committee shall keep the minutes of meetings and copies thereof shall be circulated to all members of the Board.

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### **8. NOTICE OF MEETINGS**

Meetings of the Committee shall be summoned by the Secretary at the request of any of its members.

### **9. MINUTES OF MEETINGS**

- 9.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 9.2 The Secretary should ascertain, at the beginning of each meeting, the existence of any conflict of interest and minute them accordingly.
- 9.3 Minutes of the Committee meeting shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board.
- 9.4 The Secretary shall keep record of all conclusions and resolutions passed at all Committee meetings, including the names and signatures of the attendants.
- 9.5 Full minutes of the Committee meetings shall be kept by the Secretary.

### **10. RIGHTS OF THE COMMITTEE**

The Company must ensure that wherever necessary and reasonable for the performance of its duties, the Committee must, in accordance with a procedure to be determined by the Board and at the cost of the Company:

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company;
- (d) be able to obtain independent professional or other advice; and
- (e) be able to convene meetings excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

### **11. REVIEW OF COMMITTEE**

The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether the Committee and such members have carried out their duties in accordance with their terms

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of reference.

**12. AUTHORITY**

The Committee is authorised:

- (a) to seek any information, it requires from any employee of the Company in order to perform its duties;
- (b) to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference; and
- (c) to call any employee to be questioned at a meeting of the Committee as and when required.

**13. REVISION AND UPDATES**

13.1 This Terms of Reference shall be reviewed annually by the Nomination Committee.

13.2 Any revisions or amendments to this Terms of Reference, as proposed by the Nomination Committee or any third party, shall be presented to the Board for approval; and

13.3 Upon the Board's approval, the said revisions or amendments shall form part of this Term of Reference and this Term of Reference shall be considered duly revised or amended.

**14. APPROVAL**

The Nomination Committee Terms of Reference is approved by the Board of CEKD Berhad.