



PRINSIPTEK CORPORATION BERHAD
(Company No. 595000-H)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

(Revised as at 24 May 2018)

1. OBJECTIVE OF THE COMMITTEE

1.1 The Nomination Committee (“the Committee”) of Prinsiptek Corporation Berhad (“PCB”) is established to assist the Board in relation to following areas:

- a) To identify and assess the qualified individuals to serve as Board members and recommending such candidates for appointment to the Board and Board Committees; and
- b) To conduct periodic evaluations for assessment of the effectiveness of the Board as a whole and contribution of each individual Director and Board Committees member, in ensuring the Board and Board Committees are comprised of individuals with an optimal mix of qualifications, skills and experience.

2. COMPOSITION OF THE COMMITTEE

2.1 The Committee shall comprise exclusively of Non-Executive Directors with a majority of them being Independent Directors.

2.2 The composition of the committee must not be less than three (3) Members. Where the Members for any reason are reduced to less than three (3), the Board shall within three (3) months of the event, appoint such number of new Members as may be required to make up the minimum number of three (3) Members.

2.3 All Members shall hold office only for so long as they serve as Directors of the Company.

2.4 The change of the Members of the Committee shall be decided by the Board from time to time.

3. CHAIRMAN OF THE COMMITTEE

3.1 The Chairman of the Committee shall be an Independent Non-Executive Director appointed by the Board amongst the member of the Committee.

3.2 Should the Chairman be absent from any meeting, one of the members from amongst the Committee shall be elected as the Chairman.

4. SECRETARY OF THE COMMITTEE

- 4.1 The Company Secretary and/or his or her representative shall be the Secretary of the Committee.
- 4.2 The Secretary shall draw up an agenda for each meeting, in consultation with the Chairman of the Committee. The Agenda shall be sent to all members of the Committee at least five (5) working days before each meeting together with the relevant papers.
- 4.3 The Secretary shall promptly prepare the written minutes of the meeting and distribute it to each member. The minutes of the Committee meeting shall be confirmed and signed by the Chairman of the meeting at the next meeting.
- 4.4 The minutes of each meeting shall be entered into the minutes book kept at the registered office of the Company under the custody of the Company Secretary. The minutes shall be available for inspection by members of the Board and other persons deemed appropriate by the Company Secretary.

5. MEETINGS OF THE COMMITTEE

- 5.1 The Committee shall meet at least once a year or at such other times as the Chairman of the Committee deemed necessary.
- 5.2 The Chairman of the Committee, or the Secretary on the requisition of the Members, shall at any time summon a meeting of the Members by giving due notice together with an agenda of items to be discussed.
- 5.3 No business shall be transacted at any meeting of the committee unless a quorum is present. Two (2) Members of the Committee shall be constitute a quorum, of which at least one (1) shall be an Independent Non-Executive Director.
- 5.4 Any decision arising at the meeting shall be decided by a majority of votes, each Member having one vote and a determination by a majority of Member shall for all purposes be deemed a determination of the Members. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
- 5.5 All recommendations and findings of the Committee shall be submitted to the Board of Directors for approval.

5.6 The Managing Director and/or other appropriate officers may be invited where their presence is considered appropriate as determined by the Committee Chairman.

6. **CIRCULAR RESOLUTION**

A resolution in writing, signed by a majority of the Committee members being entitled to receive notice of a meeting of the Committee, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.

7. **DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

The following are the main duties and responsibilities of the nomination Committee collectively. These are not exhaustive and can be augmented if necessary by Board approval:

- 7.1 To examine the size of the Board with a view to determine the number of Directors on the Board in relation to its effectiveness and ensure that at every annual general meeting, one-third of the Directors for the time being shall retire from office. A retiring Director shall be eligible for re-election. Every Director, including the Managing Director, shall be subject to retirement at least once in every 3 years.
- 7.2 To undertake an annual review of the present size, structure and composition of the Board and Board Committees as well as the required mix of skills, experience and competency required and make recommendations to the Board with regard to any adjustments that are deemed necessary.
- 7.3 To evaluate and review annually the effectiveness of the Board as a whole, the various Committees and each individual Director's contribution to the effectiveness on the process of the Board.
- 7.4 To identifying and make recommendation to the Board on new candidates for appointment to the Board or to fill board vacancies as and when they arise.
- 7.5 To identify, recommend and nominate suitably qualified candidates for the Board in terms of appropriate balance of skills, expertise, attributes and core competencies, taking into consideration the character, experience, integrity, competence and time commitment prior to the appointment.

- 7.6 To ensure that orientation and education programmes are provided for new members of the Board.
- 7.7 To review the retirement of Directors, the Directors who are eligible for re-election and the retention of Directors who have served beyond nine (9) years as Independent Directors, and to assess their eligibility for re-election or retention with appropriate criteria prior to recommending to the Board the candidates for re-election or retention.
- 7.8 To develop the criteria to assess the the independency of each of the Independent Directors.
- 7.9 To review annually the term of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and its members have carried out their duties in accordance with the Terms of Reference.
- 7.10 To oversee the disclosures of Nomination made in the annual report and notice to General Meetings.
- 7.11 To recommend to the Board, candidates for all directorships proposed by the Managing Director and, within the bounds of practicability, by any other senior executive or any director or shareholder and to recommend to the Board candidates to fill the Board Committees. A description /specification for the new Directors should be drafted before identifying possible candidates. Candidates should be evaluated against this specification.

8. POWERS AND AUTHORITY OF THE COMMITTEE

- 8.1 In carrying out its duties and responsibilities, the Committee shall have:
 - a) The resources which are required to perform its duties;
 - b) Full, free and unrestricted access to any information, records, properties and personnel of the Company and any other companies within the Group;
 - c) Full access to independent professional advice and expertise, where necessary; and
 - d) Access to the advice and services of the Company Secretary.

9. **DISCLOSURE**

The Committee shall assist the Board in making certain disclosures concerning the activities of the Committee such as the Corporate Governance Report in the Annual Report in accordance with the Listing Requirements.

10. **REVISION OF THE TERMS OF REFERENCE**

10.1 Any revision or amendment to the Terms of Reference, as proposed by the Committee shall be first be presented to the Board for its approval.

10.2 Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.