



**MMS VENTURES BERHAD**  
(Company No. 647125 - P)  
(Incorporated in Malaysia)

## **NOMINATION COMMITTEE TERMS OF REFERENCE**

### **INTRODUCTION**

This Nomination Committee's Terms of Reference sets out the requirements of the Board of Directors of MMS Ventures Berhad (MMSV) towards the establishment of a Nomination Committee and the delegation of responsibilities to the Committee, as at the date hereof.

### **OBJECTIVE**

The Nomination Committee was established by the Board of Directors ("Board") and its purpose is to assist the Board in their responsibilities for proposing new nominees to the Board and to assess existing Directors on an on-going basis.

### **TERMS OF REFERENCE**

#### **1.0 Composition**

- (a) The Nomination Committee ("Committee"), comprising exclusively non-executive directors, a majority of whom must be independent non-executive directors, shall be appointed by the Board from among themselves and shall comprise not less than three (3) members;
- (b) The appointment of a member of the Committee shall automatically be terminated, if the member ceases for any cause to be a director, or as determined by the Board.
- (c) The members of the Committee shall elect a Committee Chairman from among themselves, who shall be an independent non-executive director. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to chair the meeting.

#### **2.0 Meetings**

##### **(a) Frequency**

The Committee shall meet at least once a year and at such other times as it deems necessary to fulfil its responsibilities.

(b) Quorum

A quorum necessary for the transaction of business shall be two (2) members, of which one (1) member must be an independent non-executive director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

(c) Secretary

The Company Secretary shall be the Secretary of the Committee or in his/her absence, another person authorized by the Chairman of the Committee.

(d) Attendance

Only the Chairman and members of the Committee shall be entitled to participate at Committee meetings. Other individuals, including the chief executive officer, any executive director or non-executive director, the Head of Human Resources and any other relevant advisers may be invited to attend for all or part of any committee meeting as and when appropriate.

(e) Meeting Procedure

i. Notice of Meetings

- Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chairman or any member of the Committee.
- Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than five (5) days before the date of the meeting.
- Meetings of the Committee may be conducted when the members of the Committee are physically present together or in the form of a video or audio conference. A member dialing in to a physical Committee meeting via a video or audio conference will be deemed to be in attendance.

ii. Voting

- All resolutions of the Committee shall be passed by a simple majority vote, each member having one vote. In case of an equality of votes, the Chairman of the Committee shall have a second or casting vote.
- A member of the Committee is required to abstain from deliberations and voting in respect of any resolution or any matter which may give rise to an actual or perceived conflict of interest situation.

iii. Minutes of Meetings

- The Secretary of the Committee shall record all proceedings and resolutions and document all actions of all Committee meetings.

- The minutes of Committee meetings shall be circulated to all members of the Committee and be available to all other members of the Board unless in the opinion of the Committee Chairman, it would be inappropriate to do so.
- The minutes of Committee meetings shall be maintained by the Secretary and kept at the Registered Office of the Company and shall be available for inspection by any member of the Committee, the Board, and other persons deemed appropriate by the Secretary with the approval of the Chairman of the Committee.

#### iv. Circular Resolutions

The Committee may pass circular resolutions in writing, signed by all the members of the Committee, which shall be valid and effectual as if it was passed at a meeting of the Committee duly convened and held. Such resolutions may consist of several documents in like form each signed by one or more members.

### **3.0 Reporting Procedure**

- (a) The actual decision as to who shall be appointed to the Board shall be the responsibility of the Board of Directors after considering the recommendation of the Committee.
- (b) The Committee, through its Chairman, shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall make such recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

### **4.0 Authority**

The Committee is authorized by the Board to discharge its duties within these terms of reference. The Committee, in performing its duties shall:

- (a) be provided with sufficient resources to undertake its duties;
- (b) have full and unrestricted access to any information pertaining to the Company & Group including the authority to seek any information it requires from any senior management, employees, company officers and external parties;
- (c) with the approval of the Board, be authorized to obtain such independent professional advice including legal advice on matters within its terms of reference and to secure the attendance of outsiders with relevant expertise or experience as it considers necessary.

### **5.0 Duties and Responsibilities**

The duties and responsibilities of the Committee are as follows:

- (a) Establish a policy formalising the Group's approach to Boardroom diversity (including diversity in gender, nationality, age, culture, socio-economic background, skills, experience and independence);
- (b) Assess annually the Board structure, size, balance and composition including the required mix of skills, experience, diversity and other qualities, the core competencies and effectiveness of the Board, as a whole, the board committees and the contribution of each individual director (including the assessment of independence of its Independent

Directors) and make recommendations to the Board with regard to any changes deemed necessary;

- (c) Consider and recommend to the Board, suitable persons for appointment as Directors of MMSV, and members of the Board Committees, relying on sources from existing Board members, Management, major shareholders, outsourced service providers, independent search firms and other independent sources, taking into consideration the following attributes of the candidates:
- skills, knowledge, expertise and experience;
  - time commitment;
  - character, professionalism and integrity;
  - diversity in age, gender and experience/background; and
  - in the case of candidates for the position of independent non-executive directors, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.
- (d) Recommend to the Board, whether Directors who are retiring by rotation at the Annual General Meeting of the Company should be put forward for re-election or reappointment and whether any of the Independent Non-Executive Director who has served for a cumulative period of more than nine (9) years should continue to be retained as an Independent Non-Executive Director or otherwise. If the Board intends to retain an Independent Director beyond nine (9) years, it should justify and seek annual shareholders' approval. If the Board continues to retain the Independent Director after the twelfth (12) year, the Board should seek annual shareholders' approval through a two-tier voting process. Under the two-tier voting process, shareholders' votes will be cast in the following manner at the same shareholders' meeting:
- Tier 1: Only the Large Shareholder(s) of the Company votes;
  - Tier 2: Shareholders other than Large Shareholder(s) votes.
- (e) Give consideration to succession planning for directors and other senior management, taking into account the challenges and opportunities facing the Company and the skills, expertise and diversity needed on the Board in the future;
- (f) To ensure that orientation and education programs are provided for new members of the Board and that existing members of the Board continue to attend training programmes that aids them in the discharge of their duties;
- (g) To annually review the term of office and performance of the Audit Committee and each of its members, to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference; and
- (h) To carry out such other functions as may be agreed to by the Committee and the Board.

## **6.0 Review**

The Committee shall arrange for periodic reviews of its own performance and review its terms of reference to ensure it is operating effectively and if relevant, to recommend any changes it considers necessary to the Board.

(Terms of Reference updated at Board of Directors Meeting held on 27 November 2017)