

	CRITICAL HOLDINGS BERHAD TERMS OF REFERENCE <small>This document is strictly PRIVATE & CONFIDENTIAL</small>	Doc. Ref. : CHB-CP-CA-004 Rev. No. : 1 Page No. : 1 of 3
Nomination Committee (“NC”) – Terms of Reference		

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1. Objectives

To assist our Board of Directors of the Company (“**Board**”) in ensuring that our Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties. The NC is responsible to recommend identified candidates to the Board to fill vacancy arises from resignation, retirement or any other reasons or if there is a need to appoint an additional director with the required competency, skill or profession to the Board in order to close the competency gap in the Board identified by the NC. The potential candidate may be proposed by the executive directors, senior management major shareholders or utilise independent sources to identify the suitably qualified candidate (with appropriate or reasonable justifications). The Committee may utilise independent sources to identify a suitably qualified candidate.

2. Composition

The NC shall be appointed by the Board amongst the Directors of the Company which fulfils the following requirements:-

- (i) the NC must be composed of not fewer than three (3) members;
- (ii) all the NC members must be non-executive directors with a majority of them being independent directors; and
- (iii) The Chairman of the NC shall be appointed by the Board.

No alternate director should be appointed as a member of the NC.

In the event of any vacancy in the NC, the Board of Directors shall fill the vacancy within three (3) months of such vacancy.

The terms of office and performance of the NC and each of its members must be reviewed by the Board annually to determine whether the NC and its members have carried out their duties in accordance with their terms of reference.

3. Meetings

Frequency

Meetings shall be held not less than one (1) time a year, with additional meetings convened as and when necessary.

In the interval between NC meetings, for exceptional matters requiring urgent decisions, NC approvals may be sought via circular resolutions to be signed by all members of the NC, and such resolutions shall be accompanied by sufficient information for an informed decision.

Quorum

Two (2) members shall form a quorum for the NC meeting provided that the majority of members present must be Independent Directors. In the absence of the Chairman of the NC, the remaining

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members present shall elect one of their members as Chairman of the meeting.

Any member of the NC may participate in any meeting of the NC via telephone conferencing, video conferencing or by means of any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

Secretary

The Company Secretary shall be the Secretary of the NC or in his/her absence, another person authorised by the Chairman of the NC. The Secretary shall be responsible for issuing the agenda with the concurrence of the Chairman and circulating it, accompanying it with explanatory statements and other relevant documents to NC members prior to each meeting. The Company Secretary is also responsible for keeping the minutes of meetings of the NC, circulating them to NC members and to the other members of the Board and for following up on outstanding matters. The Secretary shall keep the minutes of meetings properly filed and shall produce the minutes of meetings for inspection when necessary.

Reporting Procedure

The minutes of each meeting shall be circulated by the Company Secretary to the NC members and to all members of the Board.

Attendance

Other Directors and employees, including the Head of Human Resources and/or external expert, may be invited by the NC to attend any particular meeting of the NC.

4. Rights and Authority

- (i) The NC is authorised by the Board of Directors to carry out its duties and responsibilities within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate on any request made by the NC.
- (ii) The NC is authorised by the Board to obtain legal advice or other independent professional advice if it deems or considers necessary

5. The terms of reference of the NC are as follows:-

- (i) To determine the criteria for Board membership and appointment of senior management, including diversity, qualities, experience, skills, expertise, education background, age and ethnicity diversity and qualifications, competencies, integrity, contribution, level of commitment in terms of time and other qualities that will best qualify a candidate to serve on the Board and the Group;
- (ii) To ensure appropriate selection criteria and processes and to identify and recommend to the Board, candidates for directorships of the Company and members of the relevant Board committees;
- (iii) To evaluate the effectiveness of the Board and the relevant Board committees;

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- (iv) To ensure an appropriate framework and succession planning for the Board.
- (v) To assess and recommend to the Board, nominees for directorships and committee members, having regard to their competencies, expertise, experience, potential conflict of interest, commitment, contribution and performance;
- (vi) To assess and evaluate, on an annual basis, or as required, the desirability of the overall composition of the Board and the balance amongst executive, non-executive and independent directors,
- (vii) To establish a mechanism for annual assessment of the performance and effectiveness of the Board as a whole and the contribution of each Director to the performance of the Company. Such annual assessment should be based on objective performance criteria, which is in line with established key performance indicators, as approved by the Board;
- (viii) To recommend and ensure that the Board receives appropriate continuous training in order to maintain an adequate level of competency and to effectively discharge their roles as the Directors;
- (ix) To oversee the appointment, management succession planning and performance evaluation of the Board and committees;
- (x) To review annually and recommend to the Board with regard to the Board diversity, structure, size, tenure, directorships, balance and composition of the Board and Committees including the required mix of skills and experience, core competencies which the Directors should bring to the Board and other qualities to function effectively and efficiently; and
- (xi) To recommend to the Board the duties and responsibilities of the Directors, including membership and Chairmanship of the Board Committees.
- (xii) To develop and maintain the criteria for the recruitment process and assess the independence of Independent Directors annually, especially on those who have served for a cumulative term of nine (9) years and disclose the reviews to the shareholders for their information.
- (xiii) To review Fit and Proper Policy and to ensure that all Directors fulfill the fit and proper criteria and for conducting assessments of the fitness and properness of candidates to be appointed onto the Board and Directors who are seeking re-election.