

# **KERJAYA PROSPEK GROUP BERHAD**

Registration No. 198401010054 (122592-U)

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

1<sup>st</sup> Revision Date : 26 April 2013  
2<sup>nd</sup> Revision Date : 27 May 2016  
3<sup>rd</sup> Revision Date : 13 April 2018  
4<sup>th</sup> Revision Date : 19 April 2021  
5<sup>th</sup> Revision Date : 18 April 2022

Custodian : Finance Department

## **Objective**

To assist the Board of Directors ("**Board**") to implement procedures for selection of directors and assessing the effectiveness of the Board as a whole, the Committees of the Board and contributions and performance of individual Director.

### **1. Members**

The Nomination Committee ("**Committee**") shall be appointed by the Board and shall consist of not less than 2 members of which comprising exclusively non-executive directors, a majority of whom shall be independent directors.

In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months.

The Board must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

### **2. Chairman and Secretary**

The members of the Committee shall elect a Chairman amongst themselves who shall be an independent director or senior independent director.

The Company Secretary shall act as Secretary of the Committee.

### **3. Functions**

The Committee shall:-

- (a) develop, maintain and review the criteria to be used in the Fit and Proper Policy for recruitment process of Directors of the Company and its subsidiaries as well as Senior Management and annual assessment of directors;
- (b) recommend prospective candidates, as required, to provide an appropriate balance of knowledge, experience and capability from a diverse background, including gender, age and ethnicity to complement the Board;
- (c) consider, in making its recommendations, candidates for directorships proposed by the Executive Directors and, within the bounds of practicability, by any other Executive Director, shareholder or utilise independent sources to identify suitable qualifies candidates;
- (d) recommend to the Board, Directors to fill the seats on Board Committees;
- (e) review of Board's succession plans;
- (f) facilitate board induction and training programmes when need arises;
- (g) to recommend retiring Directors for re-election to the Board, based on the individual Directors' annual assessment result to ensure that the performance of the retiring Directors is satisfactory;

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- (h) supportive of boardroom diversity policy and take steps to ensure that women candidates are sought as part of its recruitment exercise.
- (i) develop the criteria to assess independence and apply these criteria upon admission, annually and when any new interest or relationship develops;
- (j) review annually the structure, size, composition of the Board and/or Board Committees, required mix of skills and experience and other qualities, including core competencies and ability of each Director in carry out their obligations and duties as a director and thereafter, recommend its findings to the Board;
- (k) assess annually the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and members have carried out their duties in accordance with their terms of reference;
- (l) assess annually the effectiveness of the Board as a whole, the other Board Committees and the contribution of each existing individual Director and thereafter, recommend its findings to the Board;
- (m) to report in the annual report, a statement about the activities of the Committee in the financial year. Such statement must include information of its review to ensure that each of its Directors, Chief Executive or Chief Financial Officer has the required competency to effectively discharge his/her respective roles as well as:-
  - the policy on board composition in regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the company;
  - the board nomination and election process and criteria used by the Committee in the selection process; and
  - the assessment undertaken by the Committee in respect of its Board, Board Committees and individual Directors and the criteria used for such assessment; and
- (n) To review and report such other matters as may be delegated by the Board from time to time.

For avoidance of doubt, the Senior Management mentioned in this Terms of Reference refers to top 5 highest paid senior management members i.e. one who generally holds the highest level of management responsibility and decision making authority of the Group such as executive director, chief executive officer and other C-suites executives who are executive-level managers of the Company such as chief financial officer, chief operating officer, etc.

#### 4. Structures, Procedures and Meetings

The Committee shall meet at least once annually and as and when there are matters referred to them for consideration, with reasonable notice as the Committee members deem fit of issues to be discussed. A member of the Committee may at any time and the secretary shall on the requisition of a member summon a meeting of the Committee. The Committee should disclose the number of committee meetings held in a year and the details of attendance of each individual member in respect of meetings held. The quorum shall be 2 members with majority of independent directors.

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The Committee should have a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the Committee is firmly in its hands. All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.

All decisions at such meeting shall be decided on a show of hands on majority of votes.

Minutes of each meeting shall be circulated to the Committee members and presented to the Board. Issues discussed and actions recommended by the Committee shall be presented and reported to the Board for decision.

If need arises, issues shall be resolved through circular resolution. A circular resolution in writing, signed by ALL members, shall be valid and effective as if it has been passed at a meeting duly convened and constituted.

The Committee should be entitled to the services of a secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, both the Company's own records and for the purposes of meeting statutory requirements, as well as obligations arising from the Listing Requirements of Bursa Malaysia Securities Berhad and/or other regulatory authorities.

Other directors or employees may attend any particular Committee Meeting only at the Committee's invitation, specific to the relevant meeting.

**5. Access to Advice**

In furtherance to their duties as the Committee's members of the Company, there should be an agreed procedure for the members, whether as a full Committee or in their individual capacity, to take independent professional advice at the Company's expense, if necessary.

**6. Review of Terms of Reference**

This Terms of Reference shall be reviewed periodically (subject to at least once in every 3 years) in accordance with the needs of the Company and the Board's approval shall be obtained for any amendment or changes made from time to time.