

**TERMS OF REFERENCE**  
**BOARD NOMINATION COMMITTEE**  
**FAR EAST HOLDINGS BERHAD**  
(14809-W)  
(Incorporated In Malaysia)

**1.0 OBJECTIVE**

The principal objective of the NC is to assist the Board (“the Board”) in its responsibilities in the appointment of Board members. The NC shall nominate suitable persons to the Board for approval. The NC shall also assess the performance of the Board members as a whole and as individuals as well as Board Committees on an on-going basis.

**2.0 COMPOSITION AND SIZE**

The Board shall elect the NC members from among its members and shall comprise at least three members, all of whom are non-executive directors with majority of them being independent directors.

**3.0 CHAIRMAN**

The Chairman of the NC shall be elected from amongst the NC members. In the absence of the NC Chairman, the NC members present shall elect a Chairman for the meeting from amongst the NC members present.

**4.0 SECRETARY**

The Company Secretary or other appropriate senior officers of FEHB shall act as the secretary of the NC.

The Secretary, together with the Chairman of the NC, shall be responsible for drawing up the notice and agenda for the meeting and the same shall be distributed to members and other attendees of the NC one week before the meeting date. Consent from all members of the NC shall be obtained for any meetings of NC called shorter than this notice period.

The Company Secretary shall also be responsible for keeping the minutes of meetings of the NC and circulating them to the NC members.

## **5.0 MEETINGS**

The NC may meet for the despatch of business, adjourn and otherwise regulate the meetings at least once a year or more frequent as deemed necessary. The Chairman of the NC or any other members of the NC may call for additional meetings at any time by giving one week notice unless consent for shorter notice is obtained from all members.

The quorum for all meetings of the NC shall not be less than two members, both of whom shall be independent directors.

The NC may, from time-to-time, regulate its own procedure and conduct of its meeting. Attendance at a meeting may be by being present in persons or by participating in the meeting by video or teleconference. Members of the NC who participate in a meeting of the NC by video or teleconference or any communication equipment shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

The NC shall keep a record of its deliberations in terms of issues discussed and conclusions reached. The minutes of the NC meeting shall be distributed to each member of NC and the Board. The Chairman of the NC shall provide the Board with a report of the NC meetings at the next Board meeting after the conclusion of each NC meeting.

In its deliberations, the NC shall take cognisance of the MMLR and the Code, and any other pertinent regulations and laws, as well as revisions which may come into force from time-to-time.

## **6.0 CIRCULAR RESOLUTION**

A circular resolution in writing (if only deemed necessary by the NC Chairman) shall be valid and effectual if it is approved and signed by ALL members of the NC as if it had been passed at a meeting of the NC. All such resolutions shall be described as ‘Nomination Committee Members’ Circular Resolution/(s).

Any discussions including any concerns raised and the rationale for the decisions so made in the resolution, shall be tabled at the NC meeting taking place immediately after the passing of the resolution, for a formal record keeping of the same.

Any such resolution may consist of several documents in like form, each signed by one or more NC members.

## **7.0 RIGHTS, DUTIES AND RESPONSIBILITIES**

The NC is authorised by the Board to carry out the duties and responsibilities as follows:

- (a) Identify and recommend to the Board, candidates for directorships of the Company. In making its recommendations, the NC will also consider candidates for directorships proposed by the group chief executive officer and, within the bounds of practicality, by any other senior executive or any director or shareholder or independent sources. In making its recommendations, the NC shall consider the following:
  - skills, knowledge, expertise and experience;
  - professionalism;
  - integrity and objectivity;
  - in the case of candidates for the position of independent non-executive directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/function as expected from an independent non-executive director;
  - diversity (including gender diversity); and
  - ability to work together with other members of the Board for the best interest of the Company.

The ultimate decision on the appointment of directors to the Board is the responsibility of the Board or the shareholders after due consideration of the recommendations of the NC.

- (b) Recommend to the Board, directors to fill the seats on Board Committees.
- (c) Annually review the required mix of skills, independence and diversity (including gender diversity), experience and other qualities, including core competencies which non-executive and executive directors should possess.

- (d) Annually review the term of office and performance of the Board Audit Committee and each of its members annually to determine whether such Board Audit Committee and members have carried out their duties in accordance with their terms of reference.
- (e) Annually evaluate the effectiveness of the Board and Board Committees (including its size and composition) and the contributions of each individual director including independent non-executive directors as well as the group chief executive officer and/or group chief financial officer. All assessments and evaluations carried out by the NC in the discharge of all its functions shall be properly documented and conducted at least once a year either internally or via other independent sources.
- (f) Entitled to the services of the Company Secretary who must ensure that all appointments are properly made and all necessary information is obtained from the directors, both for the FEHB's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the MMLR or other regulatory requirements.
- (g) Determine appropriate trainings for Directors, review the fulfilment of such training and disclose details in the annual report as appropriate, in accordance with Bursa Malaysia's requirements on Continuing Education.
- (h) Consider and recommend the Directors for re-election at each Annual General Meeting.
- (i) Ensure an appropriate framework and plan for Board succession for the Company.
- (j) Consider and examine such other matters as the NC considers appropriate.
- (k) Consider other matters as referred to the NC by the Board.

## **8.0 AMENDMENT OF THE TERMS OF REFERENCE**

Any amendment to the TOR of the NC, as proposed by NC or other third party, shall first be presented to the Board for approval. Upon the Board's approval, the said amendment shall form part of the TOR of the NC, of which shall be considered duly amended.

## **9.0 DISCREPANCIES**

In the event of any discrepancies between the TOR and other relevant Acts, Guidelines, Circulars or other documents issued by relevant regulators ("collectively Regulators' Documents"), the Regulators' Documents shall prevail.

## **10.0 PUBLICATION OF TOR**

The TOR of the NC shall be made available on FEHB's website.

**Kuantan, Pahang  
21 February 2019**