

# SKB SHUTTERS CORPORATION BERHAD

## NOMINATING COMMITTEE TERMS OF REFERENCE

### 1. COMPOSITION

The Nominating Committee (“NC”) members shall be appointed by the Board from among the Directors of the Company and shall comprise exclusively non-executive directors, a majority of whom are independent directors.

### 2. QUORUM

The quorum of the meeting of the NC shall be at least two (2) members, a majority of whom shall be Independent Directors.

### 3. CHAIRMAN

The NC is chaired by an Independent Director or the Senior Independent Director.

### 4. SECRETARY

The Company Secretary shall act as Secretary of the NC.

### 5. ACCESS TO ADVICE

The NC is authorized, subject to the approval of the Board, to seek independent professional advice, at the expense of the Company, in carrying out its duties.

### 6. FUNCTIONS

NC shall carry out the following functions and report to the Board:-

- (a) Examine and review the Board structure, size and composition with a view to present recommendations to the Board on the optimum number of directors on the Board to ensure its effectiveness and to comply with regulatory requirements;
- (b) Develop, maintain and review the criteria to be used in the recruitment of directors and annual appraisal of directors, board committee and board as a whole;

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- (c) Lead the succession planning and appointment of board members, including Chairman, Managing Director and key senior management;
- (d) Lead the annual review of board effectiveness, ensuring that the performance of each individual director is independently assessed;
- (e) Assess annually the effectiveness and performance of board committees and each of its members to determine whether the board committee and members have carried out their duties in accordance with their terms of reference;
- (f) Assess and recommend to the board the candidature of directors and appointment of directors to board committees based on the individual and the directors' competencies, commitment, contribution and performance;
- (g) Facilitate board induction and orientation of new directors;
- (h) recommend the training needs of Board members based on the annual performance assessment;
- (i) Recommend the Directors for re-election to the Board, based on the individual Directors' annual assessment result to ensure that the performance of the retiring directors are satisfactory;
- (j) Review annually the Board and senior management diversity in skill, experience, age, cultural background and gender;
- (k) Recommend, if applicable, the service and employment contracts of executive directors including their job descriptions & terms of reference;
- (l) Review the candidate recommended by the Managing Director / Executive Director to be appointed and promotion as Senior Management of the Company and to make appropriate recommendation to the Board for approval;
- (m) Report in the annual report, a statement about the activities of the NC in the discharge of its duties for 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 character, experience, integrity, competence and time to effectively discharge his/her role as a director, chief executive or chief financial officer as well as:
  - i. the policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the company;

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- ii. the board nomination and election process of directors and criteria used by the NC in the selection process; and
  - iii. the assessment undertaken by the NC in respect of its board, committees and individual directors together with the criteria used for such assessment; and
- (n) Review and report such other matters as may be delegated by the Board from time to time.

### 7. MEETINGS AND MINUTES

- (a) The NC shall meet at least annually or as and when there are matters referred to them for consideration or a member may at any time and the Secretary shall on the requisition of a member, summon a meeting of the NC;
- (b) If need arises, issues shall be resolved through circular resolution. A circular resolution in writing, stating the reason(s) to arrive at a recommendation or resolution, signed by ALL members, shall be valid and effective as if it had been passed at a meeting duly convened and constituted;
- (c) Other Board members, Managing Director or Chief Executives and/or other appropriate officers may attend meetings only upon the invitation of the NC;
- (d) Minutes of each meeting shall be circulated to NC members and presented to the Board; and
- (e) Issues discussed and actions recommended by the NC shall be presented and reported to the Board for decision.

This NC Terms of Reference is made in accordance with the resolution of the Board dated 21 June 2019.