

**SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD**  
**Registration No. 195801000191 (3327-U)**  
**(Incorporated In Malaysia)**

**NOMINATING COMMITTEE**  
**TERMS OF REFERENCE**

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**1. OBJECTIVES**

The Nominating Committee (“Committee”) is established as a committee of the Board with the primary objective is to ensure appropriate Board balance with the required mix of skills, independence, expertise, experience and diversity (including gender diversity).

Where a vacancy exists or when it is considered that the Board would benefit from the services of a new Director with particular skills, the Committee will review and propose the candidate(s) with the suitable and appropriate skills, expertise and experience to the Board. The final decision on the appointment to the Board shall be made by the Board after considering the recommendation of the Committee.

The Committee will also assist the Board in reviewing on an annual basis the appropriate balance and size of non-executive participation and in establishing procedures and processes towards an annual assessment of the effectiveness of the Board as a whole, and contribution of each individual Director and each Board Committee.

**2. SIZE AND COMPOSITION**

The Committee shall comprise of not less than three (3) members exclusively of Non-Executive Directors with majority of whom shall be Independent Non-Executive Directors.

Members of the Committee may relinquish their membership in the Committee with prior written notice to the Company Secretary and may continue to serve as Director of the Company.

Where the membership of the Committee falls below three (3) due to retirement, resignation or any other reasons, the vacancy must be filled within three (3) months.

**3. QUORUM**

The quorum for a meeting shall be two (2) members.

#### **4. CHAIRMAN OF THE COMMITTEE**

Members of the Committee shall elect a Chairman among the members who is a Non-Executive Director . In the absence of the Chairman of the Committee, the members present shall elect one of their members, who shall be a Non-Executive Director to chair the meeting.

#### **5. FREQUENCY OF MEETING**

The Committee shall meet as and when the need arises subject to at least one (1) meeting per year. A member may at any time, and the Secretary shall on the requisition of a member, summon a meeting of the Committee.

#### **6. SECRETARY OF THE COMMITTEE**

The Company Secretary shall be the Secretary of the Committee. The Secretary is responsible for sending out notices and preparing and keeping the proper record of minutes of meetings.

#### **7. NOTICE AND AGENDA OF MEETING**

Meeting may be scheduled by the Committee or the Chairman. Meeting agenda shall be the responsibility of the Chairman with input from the Committee members. The Chairman may ask the Management to participate in this process.

The notice and agenda of meeting shall be circulated within reasonable time before each meeting to the Committee members and all those who are required to attend the meeting. Written materials including information requested by the Committee from the Management or external consultants shall be received together with the agenda of the meeting.

#### **8. ATTENDANCE BY INVITATION**

The Committee may invite any other directors or employees within the Group to attend any of its meetings to assist the Committee in its deliberations. The Committee is also authorised to obtain external professional advice and if required, to invite outsiders with the relevant experience and expertise to attend the meeting to assist the Committee in its deliberations.

## **9. DECISION**

Question arising at any meeting shall be decided upon by a majority of votes, each member having one (1) vote. In the event of equality of votes, the Chairman of the Committee shall have a casting vote (except where only two directors were present for the meeting).

## **10. RESOLUTION IN WRITING**

A resolution in writing signed and approved by majority of the Committee and who are sufficient to form a quorum shall be as valid and effective as if it has been passed at a meeting of the Committee duly called and constituted.

## **11. MINUTES OF MEETING**

The Minutes shall be signed by the Chairman of the Meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes shall be circulated to all members of the Committee.

## **12. MEETING VIA TELECOMMUNICATION DEVICE**

- (1) A member shall be deemed to be present at a meeting of the Committee if he participates by instantaneous telecommunication device and all members of the Committee are able to hear each other and to be heard, and for this purpose, participation constitutes prima facie proof of recognition. For the purposes of recording attendance, the Chairman or Secretary of the Committee shall mark on the attendance sheet that the member was present and participating by instantaneous telecommunication device.
- (2) A member may not leave the meeting by disconnecting his instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the meeting to leave the meeting. A member will be conclusively presumed to have been present and to have formed part of the quorum at all times during the committee meeting by instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the meeting to leave the meeting.
- (3) If a member is accidentally disconnected from the instantaneous telecommunication device and causes the absence of the required quorum of the meeting, no decisions should be in respect of matters by members during the disconnection and if the instantaneous telecommunication device cannot be re-connected at all, the meeting shall then be adjourned.

- (4) Minutes of the proceedings at a Committee meeting by instantaneous telecommunication device will be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as correct minutes by the Chairman of the meeting.

### **13. REPORTING TO THE BOARD**

The Committee, through its Chairman, shall report to the Board at the next Board of Directors' Meeting after each Committee meeting.

### **14. INFORMATION FOR DISCLOSURE IN THE ANNUAL REPORT**

The Committee shall provide such information to the Board as necessary to assist the Board in making a disclosure in the Annual Report in accordance with the Principles of the Malaysian Code on Corporate Governance ("MCCG") and Bursa Listing Requirements.

### **15. DUTIES AND RESPONSIBILITIES**

- a) The Committee should review the composition of the Board periodically by assessing its required mix of skills, experience, independence and diversity (including gender, ethnicity and age) and other qualities, including core competencies with a view to determine the impact of the number of Directors on the Board in relation to its effectiveness.
- b) The Committee should consider independent sources to identify suitably qualified candidates and propose such candidates as new nominees to the Board and to assess the directors on an ongoing basis. The actual decision as to who should be nominated should be the responsibility of the full Board after considering the recommendations made by the Committee.
- c) In making its recommendations, the Committee should consider the candidates': -
- skills, knowledge, expertise and experience;
  - professionalism;
  - age;
  - gender diversity;
  - integrity; and
  - in the case of candidates for the position of independent non-executives, the Committee should also evaluate the candidates' ability to discharge such responsibilities / functions as expected from independent non-executive directors.

- (e) The Committee should assess and recommend to the Board, the re-election by rotation or re-appointment of Directors in accordance with the Company's Constitution and Bursa Main Market Listing Requirements.
- (f) The Committee should review and consider the tenure of each director and in recommending annual re-appointment or re-election of Directors, the Committee should be satisfied with the evaluation of the directors' performance and contribution to the Board.
- (g) The Committee should carry out an annual assessment of the effectiveness of the Board as a whole as well as the committees of the Board. It should also evaluate the contribution of each individual director, including independent non-executive directors. All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.
- (h) As an integral element of the process of appointing new directors and evaluating the existing directors, the Committee should help the Board in the orientation, education and training program for new recruits and existing directors of the Board.
- (i) The Committee should review the Board's and Senior Management's Succession Plan.
- (j) The Committee should review, assess and recommend to the Board, the continuation of terms of office of Independent Directors in compliance with MCGG.
- (k) The Committee should be entitled to the services of the Company Secretaries who must ensure that all appointments are properly made, that all necessary information is obtained from directors, both for the company's own records and for the purposes of meeting statutory obligations, as well as obligations arises from the Listing Requirements of Bursa Malaysia or other regulatory requirements.

## **16. REVIEW**

The Terms of Reference shall be reviewed from time to time to ensure that it reflects current best practice in corporate governance. Board's approval is required for any changes in the Terms of Reference.

This Terms of Reference was approved by the Board of Directors on 27 August 2021.