

## **SALCON BERHAD**

### **TERMS OF REFERENCE FOR NOMINATION COMMITTEE**

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#### **Objective**

The principal objective of the Nomination Committee is to assist the Board of Directors (“Board”) in its responsibilities in nominating new nominees to the Board of Directors. The Nomination Committee shall also assess the directors and Senior Management\* of the Company on on-going basis.

*\* Senior management includes Chief Executive Officer, Chief Operating Officer, Chief Financial Officer of the Company or those personnel with similar levels of authority.*

#### **Membership**

The Nomination Committee shall be appointed by the Board of Directors and shall composed exclusively of **at least 3 non-executive directors**, a majority of whom are independent.

The Chairman of the Nomination Committee should be an Independent Director or the Senior Independent Director identified by the Board of Directors. In the absence of the Chairman, the members present shall elect a chairman for the meeting from amongst themselves.

Members of the Nomination Committee may relinquish their membership in the Committee with prior written notice to the Company Secretary. The Nomination Committee will review and recommend, to the Board for approval, another director to fill the vacancy. The vacancy should be filled within **3** months.

#### **Duties and Responsibilities**

The duties and responsibilities of the Nomination Committee are as follows:

- a. Identify and recommend to the Board, candidates to fill the Board. In making its recommendations, the Committee will also consider candidates for directorships proposed by the existing Board members, management, major shareholders, independent search firms and other independent sources.

In making its recommendations, the Committee shall consider the candidates’:

- Skills, knowledge, expertise and experience;
- Professionalism;
- Integrity, commitment (including time commitment), character and competence;
- Gender and age ; and
- In the case of candidates for the position of independent non-executive directors, the Committee shall also evaluate the candidates’ ability to discharge such responsibilities, the candidates’ background and other activities that qualify him/her as an independent director and

also whether he/she can act independently of the management.

- b) Recommend to the Board, directors to fill the seats on Board Committees.
- c) Review annually the required mix of skills, experience and other qualities of the Board, including the core competencies which directors should bring to the Board.
- d) Evaluate the effectiveness of the Board and Board Committees (including its size and composition) and the contribution of each individual director, including independent directors as well as the Senior Management. All assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented.
- e) Determine appropriate training and orientation needs for Directors, review the fulfillment of such training, and disclose details in the annual report as appropriate, in accordance with Bursa Malaysia Securities Berhad Main Market Listing Requirements on continuing education.
- f) Assess the chief executive and chief financial officer on their character, experience, integrity, competence and time to effectively discharge their roles.
- g) Consider and recommend to the Board, the Directors for re-election / re-appointment at each Annual General Meeting.
- h) Review of succession plans for Board and Senior Management
- i) Consider and examine such other matters as the Committee considers appropriate.
- j) Consider other matters as referred to the Committee by the Board.

#### **Authority and Powers**

The Nomination Committee will have full, free and unrestricted access to the relevant records of the Company.

The Nomination Committee may invite such officers, directors and employees of the Company as it may deem fit from time to time to attend meetings of the Nomination Committee and assist in discussion on and consideration of the duties of the Nomination Committee.

The Nomination Committee is authorized to seek independent professional advice, at the expense of the Company, in carrying out its duties as set out in its terms of reference.

The Nomination Committee will make its recommendations to the Board for its consideration.

#### **Meetings**

The Nomination Committee shall meet at a minimum **once** a year. The quorum for each meeting shall be 2 members.

The Company Secretary of the Company shall be the secretary of the Nomination Committee.

The Chairman of the Nomination Committee shall report to the Board at the next Board of Directors'

meeting on key issues discussed at each meeting of the Committee

The Nomination Committee may deal with matters by way of circular resolution in lieu of convening a formal meeting and such circular resolution must be signed by all the members of the Committee.

**Reporting Procedures**

The Secretary shall maintain minutes of the meetings and circulate such minutes to all members of the Board.