

**YOONG ONN CORPORATION BERHAD**

**(Company No. 814138-K)**

**TERMS OF REFERENCE OF NOMINATION COMMITTEE**

**1. OBJECTIVES**

The primary objectives of the Nomination Committee is to assist the Board of Directors (“Board”) in its responsibility in nominating new nominees to the Board of Directors in fulfilling their responsibilities to shareholders in ensuring that the Board comprised qualified individuals with the right criteria, qualifications, skills and experience. The Nomination Committee shall also assess the performance of the Directors of the Company on an on-going basis.

**2. COMPOSITION OF MEMBERS**

The Board shall elect the Nomination Committee members from amongst the Directors of the Company and shall comprise of three (3) members, exclusively of Non-Executive Directors, with a majority of whom must be independent.

No alternate director shall be appointed as a member of the Nomination Committee. The term of office and performance of the Nomination Committee and each of its members shall be reviewed by the Board annually to determine whether the members have carried out their duties in accordance with their terms of reference.

If a member of the Nomination Committee resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months from the date of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

**3. CHAIRMAN**

The Chairman of the Nomination Committee shall be elected from amongst the Nomination Committee members. The Chairman of the Nomination Committee shall be an Independent Non-Executive Director and approved by the Board of Directors.

The Chairman of the Nomination Committee shall report to the Board on any matter that should be brought to the Board’s attention and provide recommendations of the Nomination Committee that require the Board’s approval at the Board meeting.

**4. SECRETARY AND MINUTES**

The Company Secretary shall be the Secretary of the Nomination Committee. The Company Secretary is responsible for the record, prepare and circulate the minutes of the meetings of the Nomination Committee, and ensure that the minutes are properly kept and produced for inspection if required.

**5. TERM OF OFFICE**

The term of office and performance of the Nomination Committee and each of its members shall be reviewed at least once every three years by the board of directors; to assess whether the Nomination Committee and its members have carried out their duties in accordance with their terms of reference.

A formal evaluation of the performance of all Committee members should be undertaken by the Nomination Committee.

**6. MEETINGS OF THE NOMINATION COMMITTEE**

The Nomination Committee shall meet at least once a year and as frequently as may be required. In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the meeting.

Subject to the notice and quorum requirements as provided in the Terms of Reference, meeting of the Nomination Committee may be held and conducted through the telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.

**7. QUORUM**

The quorum for a meeting of the Nomination Committee shall consist of two (2) members, of which at least one (1) shall be an Independent Non-Executive Director.

**8. NOTICE OF MEETINGS**

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with agenda and meeting materials, shall be forwarded to each member of the Nomination Committee, any other person required to attend and all other non-executive directors, no later than five (5) days before the date of the meeting.

**9. AUTHORITY**

The Nomination Committee shall, in accordance with a procedure or process to be determined by the Board of Directors and at the expense of the Company,

- a. The Nomination Committee has authority to seek any information it requires from management of the Company in order to perform its duties.
- b. The Nomination Committee has authority to call for any appropriate person to be in attendance to make presentations or furnish or provide independent advice on any matters within the scope of responsibilities.
- c. The Nomination Committee has authority by the Board to obtain, at the Company's expense, external legal or other professional advice on any matters within its terms of reference.

## 10. DUTIES AND RESPONSIBILITIES

In fulfilling its primary objectives, the Nomination Committee shall undertake, amongst others, the following duties and responsibilities:

- a. The Nomination Committee has to facilitate the assessment of the independence and effectiveness of the Board as a whole, the Board Nomination Committees and each individual Director's contribution to the effectiveness on the decision making process and recommend to the Board action plan for improvement.
- b. assess on an annual basis, the tenure of an independent director should not exceed a cumulative term of nine years. Upon completion of the nine years, an independent director may continue to serve on the board subject to the director's re-designation as a non-independent director. To retain as independent directors, the board must justify and seek shareholders' approval for a person who has served in that capacity for more than nine (9) years.
- c. The Nomination Committee shall give full consideration to succession planning for Directors and other senior executives in the course of its work,, taking into consideration, the present size, structure and composition of the Board and Board Nomination Committees as well as the required mix of skills, experience and competency on the Board in the future;
- d. The Nomination Committee shall recommend to the Board concerning the re-election/re-appointment of Director to the Board pursuant and responsible for identifying and make recommendation to the Board on new candidates for election/appointment to the Board or to fill Board vacancies as and when they arise;
- e. In determining the process for the identification of suitable candidates, the Nomination Committee will ensure that an appropriate review is undertaken to ensure the requirement and qualification of the candidate nominated based on a prescribed set of criteria comprising but not limited to the following:
  - Skills, knowledge, expertise and experience;
  - Professionalism;
  - Integrity;
  - Confirmation of not being an undischarged bankrupt or involved in any court proceedings in connection with the promotion, formation or management of a corporation or involving fraud or dishonesty punishable on conviction with imprisonment or subject to any investigation by any regulatory authority under any legislation; and
  - In the case of candidates being considered for the position of independent director, such potential candidates must have the ability to discharge responsibilities/functions as expected from independent non-executive directors. Amongst others, the potential candidates must fulfil the criteria used in the definition of "independent directors" prescribed by the Main Market Listing Requirements and being able to bring independent and objective judgement to the Board.
- f. The Nomination Committee shall undertake an annual review of the training programmes attended by the Directors for each financial year as well as the training programmes required to aid the Directors in the discharge of their duties as Directors and to keep abreast with industry developments and trends; and

- g. The Nomination Committee shall provide a report summarising its activities for the year in compliance with the Malaysian Code on Corporate Governance, Listing Requirements and any relevant regulations. The report can be incorporated into the corporate governance statement in the annual report or included as a separate report.
- h. The Nomination Committee shall ensure that all Board appointees undergo an appropriate introduction and training programme.
- i. To act in line with the directions of the Board of Directors and to consider and examine such other matters as the Nomination Committee considers appropriate.
- j. Establish a policy formalising approach to Boardroom diversity in compliance with the Malaysian Code on Corporate Governance, Listing Requirements and any relevant regulations.

## **11. CIRCULAR RESOLUTION**

A resolution in writing, signed by a majority of the Nomination Committee members present in Malaysia for the time being entitled to receive notice of a meeting of the Nomination Committee, shall be as valid and effectual as if it had been passed at a meeting of the Nomination Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more of the members of the Nomination Committee. The expressions “in writing” and “signed” include approval by telefax, telex, cable or telegram by any such member of the Nomination Committee.

## **12. PARTICIPATION IN MEETING BY TELE-CONFERENCING**

A Director may participate in a Nomination Committee meeting by means of a conference telephone or any communication equipment or device that allow all persons participating at the meeting to hear and speak with each other and shall be deemed as present at such meeting.

## **13. REVISION AND UPDATES**

This Terms of Reference will be reviewed and updated at least once a year to ensure it remains consistent with the Nomination Committee’s objectives and responsibilities.