

**TERMS OF REFERENCE FOR NOMINATION COMMITTEE**

**1. OBJECTIVE**

The primary objective of the Terms of Reference of the Nomination Committee ("**NC**") of SLGC BERHAD ("**SLGC**" or the "**Company**") is to establish a documented, formal and transparent procedure to support and advise the Board of Directors (the "**Board**") in fulfilling their responsibilities to shareholders in ensuring the Board are comprised of the right group of people, with an appropriate mix of skills, knowledge, experience and independent elements that fit SLGC and its subsidiaries (collectively known as the "**Group**") objectives and strategic goals.

**2. COMPOSITION**

- 2.1 The NC shall comprise of not less than three (3) members appointed by the Board from amongst its Non-Executive Director members only, a majority of whom must be independent.
- 2.2 The Chairman of the Board shall not appointed as a member of the NC.
- 2.3 In determining independence, the Board will observe the requirements of Independence as defined under Rule 1.01 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**").
- 2.4 The members of the Committee shall elect a Chairman from amongst their number who shall be an Independent Non-Executive Director. In the absence of the Committee Chairman, the remaining members present shall elect one of them to chair the meeting.
- 2.5 No alternate director shall be appointed as a member of the NC.
- 2.6 The term of office and performance of the NC 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.
- 2.7 If a member of the NC 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. AUTHORITY**

- 3.1 The NC shall have the authority to deliberate and approve matters within its primary duties and responsibilities as set out in this Terms of Reference;
- 3.2 Unless otherwise provided by or subject to any applicable laws or legislative requirements, the NC shall have the permission to obtain resources needed to fulfil its duties and responsibilities as set out in this Terms of Reference and at the expense of the Group, such as:
  - i) full and unrestricted access to information, records, properties and employees of the Group;
  - ii) the advice and support of the Company Secretary and management; and
  - iii) to obtain professional and independent advice from external advisors with relevant knowledge and experience, as and when necessary, for the performance of its duties.

#### **4. DUTIES AND RESPONSIBILITIES**

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

- i) To assist the Board in ensuring that the Board is of an effective composition, mix of skills, independence, diversity, size and commitment to discharge its responsibilities and duties adequately;
- ii) To ensure appropriate selection criteria and processes and to identify and recommend to the Board, candidates for directorships of the Company and members of the relevant Board committees. In identifying candidates for appointment of directors, the NC should not rely solely on the recommendations from existing directors, Management or major shareholders and independent sources are utilised to identify suitably qualified candidates;
- iii) In determining the process for the identification of suitable candidates, the NC will ensure that an appropriate review is undertaken to ensure the requirement and qualification of the candidate nominated based on a prescribed set of objective criteria and merit comprising but not limited to the following:
  - a) Skills, knowledge, expertise, experience, age, cultural background and gender;
  - b) Professionalism;
  - c) Integrity;
  - d) Existing number of directorships held, including on boards of non-listed companies;
  - e) 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
  - f) In the case of candidates being considered for the position of independent director, such potential candidates should have the ability to discharge such 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 Listing Requirements and be able to bring independent and objective judgment to the Board.

Where required, the members of the NC would meet up with potential candidates for the position of director to conduct an assessment of their suitability.

*(Note: The Group practices non-discrimination in any form, whether based on age, gender, ethnicity, or religion, throughout the organisation, and this includes the selection of directors).*

- iv) To evaluate the performance and effectiveness of the Board as a whole and each Director individually, as well as the relevant Board committees annually;
- v) To ensure that every Director, including the Executive Directors, shall be subject to retirement at least once every three (3) years. A retiring Director shall be eligible for re-election;

- vi) To recommend to the Board the re-election of Directors by shareholders. In instances where an Independent Non-Executive Director is to be retained beyond nine (9) years, the NC shall conduct an assessment of the Independent Non-Executive Director(s) and recommend to the Board whether they shall remain independent or be re-designated as a Non-Independent Non-Executive Director;
- vii) To review the term of office and performance of the Audit and Risk Management Committee and each of its members annually to determine whether the Audit and Risk Management Committee and its members have carried out their duties in accordance with its Terms of Reference;
- viii) To ensure an appropriate framework and succession planning for Board and Management succession, including the future Chairman, Executive Directors and Chief Executive Officer / Managing Director;
- ix) To 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;
- x) To ensure that orientation and education programmes are provided for new members of the Board; and
- xi) To provide a report summarising its activities for the year in compliance with the Malaysian Corporate Governance Code, 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.

## **5. MEETINGS**

- 5.1 The NC shall meet at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.
- 5.2 The members of the NC shall elect a Chairman from amongst their number who shall be an Independent Non-Executive Director. In the absence of the NC Chairman, the remaining members present shall elect one of them to chair the meeting.
- 5.3 Subject to the notice and quorum requirements as provided in this Terms of Reference, a meeting of the NC 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.
- 5.4 Other members of the Board and management may attend the meeting upon the invitation of the NC.

## **6. QUORUM**

- 6.1 The quorum for a meeting of the NC shall consist of two (2) members. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present. The majority present must be Independent Directors.

## **7. NOTICE OF MEETINGS**

- 7.1 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the NC no later than seven (7) days before the date of the meeting. Supporting papers shall be sent to NC members and other attendees, as appropriate, at the same time.

## **8. SECRETARY AND MINUTES**

- 8.1 The Company Secretary or his nominee or such other persons authorised by the Board shall act as the Secretary of the NC.
- 8.2 The Company Secretary shall record, prepare and circulate the minutes of the meetings of the NC and ensure that the minutes are properly kept and produced for inspection if required.
- 8.3 The NC shall report to the Board and the minutes of each meeting shall be tabled to the Board for notation.

## **9. CIRCULAR RESOLUTION**

- 9.1 A resolution in writing signed or approved by letter, telegram, telex, telefax or electronic means by a majority of the NC members for the time being entitled to receive notice of a meeting of the NC shall be as valid and effectual as if it had been passed at a meeting of the NC duly convened and held.
- 9.2 Any such resolution may consist of several documents in like form, each signed by one (1) or more NC members.

## **10. REVIEW OF TERMS OF REFERENCE**

- 10.1 The NC shall recommend any changes to its Terms of Reference in such manner as it deems appropriate to the Board for approval.
- 10.2 The Terms of Reference shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code of Corporate Governance, Listing Requirements or any other regulatory requirements.
- 10.3 It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the NC's role.