



EUPE CORPORATION BERHAD (37762-V)
(Incorporated in Malaysia)

TERMS OF REFERENCE FOR NOMINATION COMMITTEE

1. Primary Responsibilities

The Nomination Committee (“NC” or the “Committee”) of EUPE was formed by the Board of Directors (“Board”) in July 2013. Its primary function, in line with the Malaysian Code on Corporate Governance and Paragraph 15.08A (2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is to assist the Board in the following areas:

- (i) Develop and review policies and procedures governing the composition for effective and efficient functioning of the Board having regard to the mix of skills, knowledge, diverse experience, diversity (including gender diversity), background, integrity, competence, time commitment and independence in order to meet the operational objectives, strategic goals and business requirements of the Company and its subsidiaries (“Group”);
- (ii) To formalise a formal and objective evaluation process for appointment, review and assessment of senior management of the Group, who may serve as a talent pipeline for board candidacy, based on objective criteria, merit and with regard for diversity in skills, experience, age, cultural background and gender diversity;
- (iii) Recommend to the Board on nomination and election of candidates for directorship on the Board and Board Committees and on the re-appointment and re-election of existing Directors to the Board;
- (iv) To establish and undertake a formal and transparent process for nomination and appointment of senior management together with the criteria used for the selection;
- (v) Review and assess the contribution, effectiveness and performance of individual Directors, as well as the effectiveness of the Board and its Committees annually;
- (vi) Review and assess the criteria for assessment of independence for Independent Directors (“IDs”) annually; and
- (vii) Develop and review policies and procedures governing IDs to ensure Board composition support objective and independent deliberation, review and decision-making, allowing for more effective oversight of management.

2. MEMBERSHIP

- 2.1 The membership of the NC shall comprise of exclusively Non-Executive Directors (“NEDs”), a majority of whom must be independent and consist of at least three (3) members.



- 2.2 The Board, with NC's recommendation, shall elect a chairman from among the Committee members who shall be Independent Non-Executive Director or Senior Independent Director of the Company ("Chairman").
- 2.3 In the event of any vacancy in the NC resulting in not in line with the Paragraph 2.1 above, the vacancy must be filled within three (3) months from the date of such vacancy.

3. MEETINGS

3.1 Frequency of meetings

The NC shall meet at least once (1) a year. More meetings may be conducted if the need arises.

The Committee may hold a Committee meeting at two (2) or more venues within or outside Malaysia using any technology that gives the Committee members as a whole a reasonable opportunity to participate.

If a member is unable to be physically present, the member may choose to participate via video or tele-conferencing.

3.2 Chairman

Should the Chairman be absent from meeting, the NC members present shall appoint a chairman from amongst them for that particular meeting.

In addition to the regular scheduled meeting, the Chairman shall call a meeting of the NC if so requested by any member of the NC or by the Chairman of the Board.

3.3 Quorum

The quorum for a meeting of the NC shall be two (2) members with majority of them being Independent Directors.

3.4 Secretariat

The Secretary of the Company shall be secretary (the "Secretary") of the NC. The Secretary, in consultation with the Chairman, shall draw up the agenda of the meeting. The agenda, together with the relevant papers, shall be circulated at least five (5) business days or on a timeline to be set and agreed between the Chairman and the Secretary prior to each NC meeting.

However, confidential papers may be distributed during the meeting but presentations or briefings will be made by Management to aid NC members in making well-informed decisions. The Secretary of the NC shall keep the minutes of meetings and copies thereof shall be circulated to all members of the Board.



3.5 General Meetings

The Chairman or a member of the NC will provide a meaningful response to questions relating to matters regarding nomination of Directors and Senior Management during the general meetings.

3.6 Attendance of Other Directors and Persons

The Chairman, or the NC members with the approval from the Chairman, may invite any person or persons to attend the NC meetings, but not necessarily for the full duration of the meeting.

4. **AUTHORITY**

The Board has authorised the NC, may wherever necessary and reasonable within the scope of its duties and responsibilities to:

- (i) perform the activities required to discharge its responsibilities and make the relevant recommendations to the Board;
- (ii) select, engage and obtain, at the cost of the Company, legal or professional advice in order for the NC to carry out its duties; and
- (iii) have full and unrestricted access to information pertaining to the Group.

5. **FUNCTIONS**

NC shall perform the following functions that have been delegated by the Board and make recommendations to the Board for consideration:

- (i) develop and review the Board and Senior Management Diversity Policy by considering the mix of skills, experience, knowledge, independence and diversity (including gender diversity) background, integrity, competence, time commitment and independence in order to meet the operational objectives, strategic goals and business requirements of the Group, set target on gender diversity and monitor the measures undertaken to meet the targets;
- (ii) develop and review Directors' Independence Policy together with the criteria used for annual assessment;
- (iii) annually review whether each of the ID continues to be independent in character and judgement and act in the best interests of the Company when discharging his/her duties;
- (iv) In respect of ID who has served the Board beyond a cumulative term limit of nine (9) years, to conduct an annual rigorous review whether the ID:



- (a) can act independently of management;
 - (b) would erode the Board's objectivity due to his/her long tenure and familiarity; and
 - (c) may become a "dependent Director" due to prolonged insular recruitment processes and attractive remuneration packages and material benefits.
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- (v) formulate, review and oversee the plan and development of a succession planning framework for Board members;
 - (vi) review the nomination and election process and criteria used in recruitment process;
 - (vii) recommend to the Board on new candidates for appointment and re-election of Board members and appointment of Senior Management;
 - (viii) recommend to the Board the appointment of Board members for Board Committees;
 - (ix) annually review the performance of the members of the Board, Managing Director and Executive Directors;
 - (x) review the performance of the Group's senior management personnel including recommendation for renewal of their service contracts;
 - (xi) review the performance of Risk Management and Audit Committee ("RMAC") and each of its members annually to determine whether the RMAC and its members have carried out their duties in accordance with their terms of reference;
 - (xii) review annually the time required from the directors. Performance evaluation should be used to assess whether the directors are spending enough time to fulfil their duties; and
 - (xiii) To recommend appropriate training, both in the form of an induction programme for newly appointed directors and on an on-going basis for all members of the Board.

6. REPORTING RESPONSIBILITIES

- 6.1 The Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2 The NC shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.



- 6.3 The NC committee shall produce a report to be included in the Company's annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Company.

7. ETHICS AND PROCEDURES

- 7.1 All members shall safeguard all internal committee communications concerning any candidates and treat them as strictly private and confidential, and for the use of NC members only.
- 7.2 The NC may check references and consult selected third party sources on a confidential basis, if necessary, before making its final recommendations. The NC shall work diligently amongst the members of the Board in performing its evaluations and adhere to the Code of Conduct and Ethics.

8. REVIEW OF THE TERMS OF REFERENCE

- 8.1 The terms of reference shall be reviewed by the NC as and when required. All amendments to the terms of reference must be approved by the Board.