



**EUPE CORPORATION BERHAD**  
**Registration No. 199601005416 (377762-V)**  
(Iincorporated in Malaysia)

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

### **1. OBJECTIVES**

The Board of Directors of the Company (“Board”) has established the Nomination Committee (“NC” or the “Committee”) to assist the Board in the following areas:

- (i) develop and review policies and procedure 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) formalise a formal and objective evaluation process for appointment, review and assessment of C-level management<sup>1</sup> 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) establish a formal and transparent process for nomination and appointment of Senior Management together with the criteria used for the selection;
- (iv) review and assess the criteria for assessment of independence for Independent Directors (“IDs”); and
- (v) develop and review policies and procedure governing IDs to ensure Board composition support objective and independent deliberation, review and decision-making, allowing for more effective oversight of management.

### **2. COMPOSITION OF THE NC**

- 2.1 The NC shall consist of not less than three (3) members, all of whom shall be appointed by the Board amongst its Directors. The Committee shall comprise exclusively of Non-Executive Directors, with a majority being Independent Directors. The Chairman of the Board shall not be a member of the NC.

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<sup>1</sup> C-level management include Chief Executive Officers, Chief Financial Officer, Chief Operating Officer, Chief Project Officer, Chief Marketing Officer, Chief Technology Officer, Chief People Officer, and any executive officers defined by the Board or the Group Managing Director.



- 2.2 The Board, with NC's recommendation, shall elect a chairman from among the Committee members who shall be an Independent Non-Executive Director or Senior Independent Non-Executive Director of the Company ("Chairman").
- 2.3 In the event of any vacancy in the NC resulting in not in line with 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**

The Chairman shall preside at the meetings. In the absence of the Chairman, the NC members present shall elect one (1) among themselves to chair that particular meeting.

#### **3.3 Quorum**

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

#### **3.4 Secretariat**

- (a) The Secretary of the Company shall act as the secretary of the NC (the "Secretary"). 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.
- (b) The Secretary shall minute the proceedings and resolutions of the meetings of the NC. The minutes of the NC meeting shall be signed by the Chairman of the Committee meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.



- (c) A resolution in writing, signed or approved via any electronic means by a majority of the members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.

### **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**

The 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.
- (v) formulate, review and oversee the plan and development of a succession planning framework for Board members;
- (vi) review the nomination and election process of Directors and criteria used in selection process;
- (vii) identify, consider and recommend to the Board, candidates for appointment as Board members and appointment of C-level management;
- (viii) recommend to the Board the appointment of Board members for Board Committees;
- (ix) annually review the effectiveness of the Board as a whole, the Board Committees, the contribution of each individual Director as well as the performance of the Group Managing Director and Executive Directors;
- (x) annually review the character, integrity, competence and time commitment from the C-level management;
- (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;
- (xiii) ensure that induction programme are provided for newly appointed Directors and evaluate and determine the training needs of its Directors;
- (xiv) recommend to the Board on the retirement and re-election of Director pursuant to the provisions in the Constitution and contingent on satisfactory evaluation of the Directors' tenure, performance, contribution to the Board and the current composition of the Board; and



- (xv) perform such other functions and matters as may be delegated by the Board and/or under the Listing Requirements of Bursa Malaysia Securities Berhad from time to time.

## **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 shall produce a statement to be included in the Company's annual report about its activities in the discharge of its duties, the nomination and election process and the assessment undertaken by the Committee in respect of the performance of the Board, Board Committees and individual Directors together with the criteria used for such assessment and the application of the Directors' fit and proper policy during the financial year for the appointment and re-election of Directors.

## **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. REVISION OF THE TERMS OF REFERENCE**

- 8.1 This Terms of Reference shall be reviewed as and when required and updated in accordance with the needs of the Company and any new regulations. Any revision or amendments to this Terms of Reference, as proposed by the NC or any third party, shall first be presented to the Board for approval.