

EURO HOLDINGS BERHAD (646559-T)
TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

Membership

The Nomination Committee shall be appointed by the Board from among the Directors of the Company and shall be comprised exclusively of non-executive directors, a majority of whom must be independent.

Chairman

The members of the Nomination Committee shall elect the Chairman from among their members who shall be an Independent and Non-Executive Director.

Secretary

The Company Secretary or a nominee shall act as secretary of the Nomination Committee.

Quorum

There should be at least two or half of the Nomination Committee, whichever is the higher, of which the members present must be a majority of Independent Non-Executive Directors.

Frequency of Meetings

The Nomination Committee shall meet at minimum once in a financial year, and hold additional meetings as and when necessary.

Notice of Meetings

The Secretary of the Nomination Committee shall call for a meeting, at the request of the Committee Chairman. Notice of each meeting confirming the venue, time and date, together with an agenda of items and supporting papers to be discussed, shall be forwarded to each member of the Nomination Committee, no later than five (5) working days before the date of the meeting.

Minutes of Meetings

The Secretary of the Nomination Committee shall minute the proceedings and resolutions, including the names of all attendees. Draft minutes of committee meetings shall be circulated to all members of the Nomination Committee. Once approved, minutes shall be circulated to all other members of the Board, unless a conflict of interest exists.

Authority

The Nomination Committee shall have access to resources and information as deemed appropriate for the discharge of its responsibilities, including obtaining independent professional advice at the company's expense and periodic review of its terms of reference against its performance.

Duties and Functions

New appointments

- a. Consider and recommend to the Board, candidates for directorship, proposed by the Group Managing Director, any senior management or any director or shareholder, or outsourced service providers, taking into consideration the candidates' skills knowledge, expertise and experience, time, commitment, character, professionalism and integrity. For position of Independent Non-Executive Directors, the Nomination Committee shall also evaluate the candidates' ability to discharge such responsibilities as expected from Independent Non-Executive Directors.
- b. Evaluate the balance of skills, knowledge, experience and diversity on the existing Board, prior to considering and recommending candidates to the Board.
- c. In the case of the appointment of Chairman of the Board, any significant commitment shall be disclosed to the Board, prior to the appointment.

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- d. In consultation with the Chairmen of the various Board Committees, recommend candidates to the Board to fill the seats on Board Committees. In the event of the Chairman's position (Board or Board Committees) to be filled, Nomination Committee is to consult the Board.

Re-election, Re-appointment and Resignation/Termination

- a. Recommend to the Board, candidates for re-election of directors by shareholders under the annual re-election provisions or retirement, with due consideration to the extent to which the interplay of the director's expertise, skills, knowledge and experience with those of other board members, as well as their roles as committee members.
- b. Matters relating to the continuation in office of any director at any time, including the suspension or termination of service of an Executive Director as an employee of the company subject to the provisions of the law and their service contract.
- c. The re-appointment of any Non-Executive Director at the conclusion of his/her terms of office having given due regard to performance and ability to continue to contribute to the Board in terms of knowledge, skills and experience required.

Annual Performance Assessment

- a. Review annually the required mix of skills, experience, diversity and other qualities, including core competencies and effectiveness of the Board, as a whole, the Board Committees and the contribution of individual directors.
- b. Review annually the time required of Non-Executive and Independent Directors.
- c. Evaluate and appraise the performance of the Chairman of the Board.

Training

- a. Review the training needs of directors and ensure that training programmes attended by directors must be one that aids the director in the discharge of duties.

Size of Board and Independent Directors

- a. Review the size, structure and composition of the Board, taking into consideration the number of directorship, to achieve the desirable balance in Board membership.
- b. Assess desirable number of Independent Directors.