

OVERSEA ENTERPRISE BERHAD
(Company No. 317155-U)
(Incorporated in Malaysia)

NOMINATING COMMITTEE

TERMS OF REFERENCE

1. OBJECTIVES

The principal objectives of the Nominating Committee (NC) is to assist the Board of Directors (Board) in recommending candidates to the Board and Board Committees and assess the performance of the Board, Board Committees and individual Director of the Company on an on-going basis.

2. COMPOSITION

The members of the NC shall be appointed by the Board from among themselves and shall consist of not less than three members. The NC shall comprise exclusively of Non-Executive Directors with a majority of them are Independent Directors.

3. CHAIRMAN

The members of the NC shall elect a Chairman from among its members who shall be an Independent Non-Executive Director. The appointment of the Chairman of the NC shall be approved by the Board of Directors.

4. AUTHORITY

The Board has constituted the NC with the authorities necessary to perform the duties set out in these Terms of Reference.

- i. The NC, within the scope of its assigned duties, is authorised to seek any information it requires from the management team;
- ii. The NC may engage independent legal or other professional services, as it requires and at the expense of the Company, with prior consent from the Board; and
- iii. The NC shall be provided with sufficient resources to undertake its duties, including access to the company secretariat.

5. SECRETARY

The Company Secretary shall act as Secretary to the NC and shall be responsible to minute the proceedings and resolutions of all meetings of the NC, keeping minutes of meetings of the NC and circulating them to the NC members.

6. MEETING

The NC shall meet at least once a year. The Secretary shall on the requisition of the members of the NC summon a meeting of the NC. Additional meetings may be held anytime at the Chairman's discretion. The NC's Chairman shall report the outcome of the NC meeting to the Board and seek for approval or decision, if required.

Minutes of meeting shall be distributed to the NC's members and shall be approved by the Chairman of the meeting at which the proceedings are held or by the Chairman of the next succeeding meeting.

7. QUORUM AND CASTING VOTE

The quorum of the meeting shall be two members of whom at least one must be an Independent Director. In the absence of the Chairman, the members shall elect from among themselves the Chairman for the Meeting. The NC's Chairman shall have a second or casting vote. However, where only 2 members (including the NC's Chairman) are competent to vote on question at issue, the NC's Chairman shall not have a casting vote.

8. CIRCULAR RESOLUTION

The NC may from time to time and if deemed appropriate, consider and approve and/or recommend relevant matters via a circular resolution in writing, in lieu of formally convening a meeting. The circular resolution shall be as valid and effectual as if it has been passed by a meeting of the NC duly convened. The NC's circular resolution must be signed or approved by a majority of the NC members. The interested NC's member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

9. ANNUAL PERFORMANCE ASSESSMENT

The NC shall perform a self-assessment annually to assess its effectiveness in carrying out the duties as set out in this Terms of Reference.

The Board shall review the composition, performance and effectiveness of the NC and each of its members annually to determine the effectiveness of the NC and each of its members in carrying out the duties as set out in this Terms of Reference.

10. DUTIES AND RESPONSIBILITIES

- i. To propose nominees for appointment to the Board and Board Committees as additional member or filling up vacancy. In making its recommendations, the NC should consider the candidates' skills, knowledge, expertise, experience, professionalism, integrity, time commitment, character, competence and number of directorships in companies outside the Group, and in the case of candidates for the position of Independent Non-Executive Directors, the NC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from the Independent Non-Executive Directors;
- ii. To oversee the overall composition of the Board and Board Committees in terms of the structure, size and composition (including the required mix of skills, knowledge, background, professionalism, gender, integrity and experience and other qualities) of the Board, and the balance between Executive Directors and Independent Non-Executive Directors;
- iii. To assist the Board in carrying out annual assessment on the effectiveness of the Board and Board Committees as a whole, and the contribution, competencies, commitment and performance of each Director;
- iv. To carry out annual assessment on the independence of the Independent Directors;
- v. To assess on an annual basis the tenure of an Independent Director, to ensure it does not exceed a cumulative term of nine years. Upon completion of the nine years, an Independent Director may continue to serve on the Board provided he/she is re-designated as a Non-Independent Director. In the event the Board intends to retain the said Director as an Independent Director, the Board must justify the decision and seek

shareholders' approval at general meeting.

The NC shall make recommendation to the Board on the re-designation of an Independent Director who has served on the Board for a tenure exceeding a cumulative term of nine years as a Non-Independent Director, unless shareholders' approval is sought to retain the said Director as Independent Director;

- vi. To make recommendation to the Board concerning the re-election of any Director under the retirement by rotation provisions in the Company's Articles of Association;
- vii. To make recommendation to the Board concerning the continuation (or not) in service of any Director who has reached the age of seventy;
- viii. To recommend to the Board the removal of a Director from the Board if the said Director is ineffective, errant and negligent in discharging his/her responsibilities;
- ix. To identify and assess potential candidates for the position of the Board and key management. The NC seeks to ensure that an appropriate succession planning framework, including the formulation of the nomination, selection and succession policies and procedures for the succession planning are in place;
- x. To facilitate the achievement of Board Gender Diversity policy to ensure that due consideration is given to female candidates as Directors and/or Board Committee members, as well as the targets and measures to achieve it;
- xi. To undertake an annual assessment of the training needs of the Directors and to ensure that all the Directors receive appropriate continuous training programmes in order to keep abreast with the developments in the industry and with changes in the relevant statutory and regulatory requirements; and
- xii. To arrange for the induction programme to be conducted for any new appointment such as site visits and meetings with senior management personnel, as appropriate, to enable them to have a full understanding of the nature of the business, current issues within the Group and corporate strategies as well as the structure and management of the Group.

11. PROCESS FOR BOARD APPOINTMENT/ DIRECTORSHIP

- Step 1 : Identify potential candidate through the recommendations from the Directors, the management or external parties.
- Step 2 : Assess the suitability of the potential candidate by evaluating the potential candidate based on the criteria of required skills, character, background, integrity, professional experience, knowledge and expertise, experience, competence and time commitment. Independence is the added criteria for appointment of an Independent Non-Executive Director.
- Step 3 : The NC shall meet the potential candidate
- Step 4 : Make recommendation to the Board for approval for the appointment of the potential candidate.
- Step 5 : Board discussion and approval of the proposed appointment of the potential candidate as new Director.
- Step 6 : Upon approval, send invitation to the potential candidate to join the Board as new Director.

12. REVIEW OF THE TERMS OF REFERENCE

The NC shall, from time to time and at any time that it deems necessary, review its Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval. In reviewing the Terms of Reference, the NC shall take into consideration any relevant corporate governance guidelines and may seek advice and input from the NC's Secretary. The NC shall also make recommendations to the Board concerning membership of the NC.

HISTORY

Date	Description
6 November 2009	Establishment
17 May 2010	Revision 1
30 June 2016	Revision 2