



BENALEC HOLDINGS BERHAD

200501020529 (702653-V)

**NOMINATION COMMITTEE
TERMS OF REFERENCE**



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DEFINITIONS AND INTERPRETATION

In these Terms of Reference, where the context so admits the following expressions shall have the following meanings :-

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|--------------------------------|---|
| 'Benalec' or 'the Company' | Benalec Holdings Berhad (702653-V); |
| 'Board' | The Board of Directors of Benalec Holdings Berhad; |
| 'Benalec Group' or 'the Group' | Benalec Holdings Berhad and its subsidiaries; |
| 'Board Committees' | Committees that have been or will be set up as authorised by the Board, with the exception of this Committee with specific Terms of Reference and delegated authority; |
| 'Chairman' | Chairman of the Committee and is used in a gender-neutral sense; |
| 'Committee' or 'NC' | Nomination Committee; |
| 'Company Secretary' | Company Secretary(ies) of Benalec Holdings Berhad or the person(s) who normally exercising the secretarial practice or functions; |
| 'Chief Executive' | As defined in Chapter 1 of Bursa Malaysia Securities Berhad Main Market Listing Requirements means the principal executive officer of the corporation for the time being, by whatever name called, and whether or not he is a director; In Benalec Holdings Berhad Group context, Group Managing Director / Chief Executive Officer ('GMD / CEO') and Executive Director of Benalec Holdings Berhad; |
| 'Directors' | Has the meaning given in Section 2(1) of the Capital Market and Services Act 2007; |
| 'Independent Director' | A director as defined in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements; |
| 'Listing Requirements' | Bursa Malaysia Securities Berhad Main Market Listing Requirements, including any amendments made from time to time; |
| 'Management' | Management personnel of Benalec Group; |
| 'Member' | A member of the Committee as appointed pursuant to this Terms of Reference; |
| 'MCCG' | Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia on 26 April 2017; |
| 'Secretary' | Secretary of the Committee; |



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|----------------------|---|
| 'Senior Management' | Generally refer to an individual who holds the highest level of management responsibility and decision-making authority within the company which includes the Group Managing Director / Chief Executive Officer, Executive Director, Chief Operating Officer, Chief Financial Officer and 'Officer' as defined in Chapter 1 of Bursa Malaysia Securities Berhad Main Market Listing Requirements; and |
| 'Terms of Reference' | The terms of reference of the Committee; |

In this Terms of Reference, unless the context otherwise requires:

Words importing the masculine shall be deemed and taken to include the feminine and neuter gender and vice versa. Words importing the singular shall be deemed and taken to include the plural and vice versa.

All references to statutes include amendments or modifications to such statutes and re-enactments thereof including the rules, regulations and all other subsidiary legislation in relation thereto.

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1. PURPOSE

The purpose of the establishment of the Committee is to assist the Board in identifying, nominating and orientating new Directors.

2. COMPOSITION AND SIZE

The NC members shall be appointed by the Board and comprise exclusively of Non-Executive Directors, a majority of whom are Independent Non-Executive Directors. The size of the NC shall consist of not less than three (3) members.

Para 15.08A(1)
Listing
Requirements

The Board may revoke the appointment of a member and/or vary the term of appointment of a member at any time as it deems fit.

The Board shall assess the effectiveness of the NC on an annual basis. Alternatively, the assessment of the NC's performance can be carried out by individual members of the NC on a peer assessment basis, with the results forwarded to the Board for consideration, as appropriate.

3. CHAIRMAN

The NC must elect a Chairman among the Committee members who is an Independent Director/Senior Independent Non-Executive Director identified by the Board.

Practice 4.7
MCCG

In the absence of the Chairman of the NC in a meeting, the members present shall elect one of their members to be Chairman of the meeting.

4. SECRETARY

The Secretary to the NC, shall but need not, be the Company Secretary of the Company.

5. MEETINGS

(a) The NC shall meet at least once a year to discharge its responsibilities as spelt out in its Terms of Reference. More frequent meetings may be called as the need arises.

(b) The quorum shall be two (2) members.

(c) The NC may call for a meeting as and when required with reasonable notice as the Committee members deem fit. The Committee members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting. Minutes of such a meeting signed by the Chairman of the Committee or the meeting shall be conclusive evidence of any resolution of any meeting conducted in the manner as aforesaid.

(d) Other Directors, key executives and employees may attend any particular meeting only at the Committee's invitation.

(e) The Minutes of each meeting shall be made available to all members of the Board upon request.



- (f) The Board should be kept aware of the Committee's activities by way of updates (including verbal reports) from the Chairman of the Committee during Board meeting.
- (g) The NC shall be provided with sufficient resources to undertake its duties. It shall have access to services of the Company Secretary or seek professional advice at the Company's expense, if necessary, on all the NC matters.
- (h) A resolution in writing signed or approved via letter, telex or facsimile by all Committee members shall be effective for all purposes as a resolution passed at a meeting of the Committee duly convened, held and constituted. Any such resolution may be contained in a single document or may consist of several documents all in the like form signed by one or more members.

6. KEY FUNCTIONS AND RESPONSIBILITIES

6.1 The NC is responsible for:

- (i) Appointment of the Board and Board Committees
 - a. identifying and nominating suitable candidate(s) to fill any vacant position in the Board and Board Committees, as and when it arises, and recommending for approval of the Board, after taking into consideration of the candidates':-
 - (aa) skills, knowledge, expertise and experience;
 - (ab) professionalism;
 - (ac) integrity; and
 - (ad) in the case of the appointment of candidate(s) for the position of Independent Non-Executive Directors, the NC should assess and evaluate the candidates' ability and independence to discharge such responsibilities/functions as expected of a Independent Non-Executive Directors.
 - b. ensuring a variety of approaches and sources are used to identify the most suitable candidate(s) to fill any vacant position, including sourcing from a directors' registry, open advertisements or use of independent search firms.
 - c. ensuring that the Board level recruitment matters are discussed in depth, allowing the Board to instead spend time on strategic and operational matters.
 - d. ensuring that female candidate(s) is/are sought as part of its recruitment exercise to maintain the boardroom diversity in the Company, when necessary. Setting a target on gender diversity and measures to meet the target.
 - e. recommending individuals for nomination as members of the Board by assessing the desirability of renewing existing directorships. Due consideration should be given to the extent to which the interplay of the Director's expertise, skills, knowledge and experience was demonstrated with those of other Board members.

Para 2.20A
Listing
Requirements



- (ii) Employment of Senior Management
 - a. reviewing and approving any new employment of Senior Management and the proposed terms of their employment.
- (iii) Appointment / re-appointment / re-election of Directors
 - a. ensuring that the Company recruits and retains the best available Executive and Non-Executive Directors.
 - b. reviewing and recommending the nomination or re-appointment of the Directors having regard to the Director's contribution and performance.
 - c. recommend Director(s) who is retiring by rotation under the Constitution to be put forward for re-election.
- (iv) The evaluation of the Board, the Board Committees and the Individual Director's performance
 - a. recommending to the Board a Nomination Framework for the evaluation of the Board's and individual's performance for approval of the Board. Practice 5.1
MCCG
 - b. assisting the Board in an annual review of the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board. Practice 4.4
MCCG
 - c. assisting the Board in an annual review of the effectiveness of the Board as a whole, the Board Committees and contribution and time commitment of the Directors and Group Managing Director/Chief Executive Officer ("GMD"/"CEO"). Establishing protocols for accepting new directorships of each individual Director. Para 15.08A
(3)(c) Listing
Requirements
 - d. Develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors. The nomination and the election process should be disclosed in the Annual Report.
- (v) Succession planning for the Board members and the Senior Management, Directors' induction programmes and continuing development
 - a. reporting to the Board on succession planning for the Board Chairman, GMD/CEO and Senior Management, from time to time. Guidance 4.7
MCCG
 - b. reviewing and recommending the appropriate continuing education/training programmes for the Board members, and Board Induction Programmes for newly appointed Board members. Para 15.08(2)
Listing
Requirements
- (vi) Directors independence
 - a. assisting the Board in an annual review of the independence of the Independent Non-Executive Director. Practice 5.1
MCCG



- 6.2 In exercising objectivity in the assessment process, the Committee members should not be influenced by major shareholders, the GMD/CEO or Executive Directors. Practice 4.6
MCCG
- 6.3 The Board remains responsible for considering and approving recommendations from the NC.
- 6.4 The Board should work together with the NC to evaluate potential successors of Board Chairman and GMD/CEO.
- 6.5 The Board, subject to the assessment of the NC, shall justify and seek Shareholders' approval in the event it retains as an independent director, a person who has served in that capacity for more than nine (9) years, and through a two-tier voting process if for more than twelve (12) years. Guidance 4.2
MCCG
- 6.6 To assess annually the term of office and performance of the Audit Committee and each of its members to determine whether such Audit Committee and members have carried out their duties in accordance with their Terms of Reference. Para 15.20
Listing
Requirements

7. REVISION OF THE TERMS OF REFERENCE

Any revision or amendment to the Terms of Reference, as proposed by the NC should be first presented to the Board for its approval and updated as appropriate. The review of its Terms of Reference should be a robust process, reflecting changes to the Company's circumstances and any new regulations that may impact upon the NC's responsibilities.

8. ANNUAL GENERAL MEETING

The Chairman of the Committee should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities Practice 12.2
MCCG

Approved by the Board in 1/2020 Board of
Directors' Meeting held on 28 February 2020

Recommended by the Nomination
Committee in 1/2020 Nomination Committee
Meeting held on 28 February 2020