

TERMS OF REFERENCE FOR NOMINATING COMMITTEE

1 Objectives

The Nominating Committee (“the Committee”) of Malaysia Smelting Corporation Berhad was formed by the Board on 28 February 2002. 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 (“Listing Requirements”), is to assist the Board in the following areas:

- Develop and review policies and procedures governing the composition for effective and efficient functioning of the Board.
- Review and assess the mix of skills, experience, size and diversity of the Board;
- Recommend to the Board on candidates for directorship, on the re-appointment and re-election of Directors and the Directors to sit on Board Committees;
- Facilitate relevant induction programmes for newly appointed Directors as well as continuing education programmes for existing Directors; and
- Review and assess the contribution, effectiveness and performance of individual Director, as well as the effectiveness of the Board and its Committees;
- Review and assess the criteria for assessment of independence for Independent Directors (“IDs”);
- Recommend to the Board the continuation of office of the IDs whose tenure has exceeded a cumulative term of nine (9) years, as ID of the Company.

The existence of the Committee does not diminish the Board’s ultimate responsibility for decision-making relating to the work of the Committee.

2 Membership

The membership of the Committee shall comprise of exclusively Non-Executive Directors (“NEDs”) and consist of at least three (3) members.

The Chairman of the Committee shall be a Non-Executive Director appointed by the Board.

The majority of the members of the Committee shall comprise of Independent Non-Executive Directors.

3 Quorum and Meeting Procedures

The Committee shall meet at least once (1) a year. More meetings may be conducted if the need arises. The quorum for a meeting of the Committee shall be two (2) members, present in person.

A resolution in writing, signed by all 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.

The Secretary of the Company shall be secretary (the "Secretary") of the Committee. Should the Chairman of the Committee be absent from meeting, the Committee 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 Committee if so requested by any member of the Committee or by the Chairman of the Board. If a member is unable to be physically present, the member may choose to participate via video or tele-conferencing.

The Secretary, in consultation with the Chairman of the Committee, shall draw up the agenda of the meeting. The agenda, together with the relevant papers, shall be circulated at least seven (7) days prior to each Committee meeting. The Secretary of the Committee shall keep the minutes of meetings and copies thereof shall be circulated to all members of the Board.

4 Authority

The Board has authorised the Committee, within the scope of its duties and responsibilities set out in this Charter to:

- perform the activities required to discharge its responsibilities and make the relevant recommendations to the Board;
- select, engage and obtain, at the cost of the Company, professional advice in order for the Committee to carry out its duties; and
- have full and unrestricted access to information pertaining to the Company.

5 Rotation of Members

Rotation of the Committee members is encouraged, where practical, to ensure undue reliance is not placed on a particular individual.

6 Attendance

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

7 Duties

The duties of the Committee are as follows:

A. Board composition

- develop and review the Board Diversity policy by considering the mix of skills, independence and gender diversity required for the Board to optimise its effectiveness, creativity and capacity;
- consider the size of the Board and Board Committees with a view of determining the impact of the number upon the Board's and Board Committees' effectiveness and recommend to the Board any improvements to be made;
- review and oversee the development of a succession planning framework for Board members

B. Board nomination and election process

- review the nomination and election process of directors including that for candidature in Board Committees;
- develop, maintain and review the criteria to be used in the recruitment process;
- make recommendations to the Board, candidates for all directorships in the Company. All candidates shall be assessed for suitability based on the following criteria:
 - skills, knowledge, expertise and experience;
 - character, professionalism and integrity;
 - boardroom diversity including gender, age and ethnicity diversity;
 - commitment (including time commitment) to effectively discharge his/her role as a Director;
 - competence;
 - contribution and performance;
 - number of directorships and other external obligations held which may affect time commitment and value contribution; and
 - in the case of candidates for the position of ID, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/ functions as are expected from IDs.

In making recommendations, the Committee shall also consider potential candidates identified by the Group Chief Executive Officer, Directors and shareholders.

- Make recommendations to the Board for the appointment of the Chairman, Group CEO and Senior Independent Director, including an assessment of the time commitment expected and recognising the need for availability in the event of crises;

- Develop, maintain and review the criteria to be used in the recruitment process of Directors. The nomination and election process should be disclosed in the Annual Report;
- recommend to the Board, Directors to fill the seats on Board Committees;
- recommend the appointment of any Director to executive or other office;
- review the re-appointment and re-election process of Directors having due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required;
- any 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 laws and their service contracts;

C. Assessment undertaken in respect of its Board, Committees and individual Directors

- develop, maintain and review the criteria to be used in the assessment of Board as a whole, Board Committees and individual Directors;
- conduct annual assessments on the effectiveness of the Board as a whole, Board Committees and the contribution of each individual Director including his time commitment, character, experience and integrity. All assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented and disclosed in the Annual Report;
- assess annually the terms of office and performance of the Audit Committee and each of its members to determine whether they have carried out their duties in accordance with their terms of reference;
- conduct annual review on the required mix of skills, experience and other qualities of the Board, including core competencies which NEDs shall bring to the Board;
- develop and review the criteria to assess the independence of INEDs;
- review the character, experience, integrity, competence and time to effectively discharge the roles of chief executive officer and chief financial officer; and
- consider and recommend Directors for re-election/re-appointment at each Annual General Meeting

D. Induction and training of Directors

- recommend to the Board and facilitate appropriate induction and education programme for new Directors;
- evaluate the training needs of Directors based on Directors' feedback and results from assessments and propose relevant training courses, review the fulfilment of each training, and disclose details in the Annual Report
- ensure that the Directors are kept abreast of all regulatory changes and developments in the business environment;

7 Reporting

The Chairman shall report on each meeting of the Committee to the Board regarding all relevant matters and appropriate recommendations, for notation or approval by the Board.

8 Committee Ethics and Procedures

All members shall safeguard all internal committee communications concerning any candidates and treat them as strictly private and confidential, and for the use of Committee members only.

The Committee may be required to check references and consult selected third party sources on a confidential basis before making its final recommendations. The Committee shall work diligently amongst the members of the Board in performing its evaluations and adhere to the Code of Ethics.

9 Revision of the Terms of Reference

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

