



MATANG BERHAD
(Company No.: 1142377-X)
(Incorporated in Malaysia)

TERMS OF REFERENCE NOMINATION COMMITTEE

1.0 Objectives

The primary purposes of the Nomination Committee (or “Committee”) are to:

- 1) assist the Board of Directors (“Board”) by identifying individuals qualified to serve the Board and its Committees;
- 2) recommend to the Board, the Director nominees for the next annual general meeting; and
- 3) recommend to the Board, members and chairpersons for each committee to enable the Board and committees to function effectively and efficiently.

2.0 Duties and Responsibilities

- 2.1 It is the responsibility of the Committee to propose new nominees to the Board and to assess directors on an ongoing basis. The actual decision as to who should be nominated should be the responsibility of the full Board after considering the recommendations made by the Committee.

The Committee should:-

- 1) recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board. In making its recommendations, the Committee should consider the candidates’:
 - skills, knowledge, competency and experience;
 - professionalism;
 - integrity;
 - age; and
 - in the case of candidates for the position of independent non-executives, the Committee should also evaluate the candidates’ ability and independence to discharge such responsibilities / functions as expected from independent non-executive directors.
- 2) consider, in making its recommendations, candidates for directorships proposed by the Chairman or Deputy Executive Chairman and, within the bounds of practicability, by any other senior executive or any directors or shareholder, and

- 3) recommend to the Board, directors to fill the seats on board committees.
- 2.2 The Committee should help the Board to examine the size, functions and needs of the Board, with a view to determining the impact of the number upon its effectiveness.
- 2.3 The Committee should carry out an annual assessment of the effectiveness of the Board as a whole as well as the committees of the Board. It should also evaluate the contribution of each individual director, including independent non-executive directors, as well as the chief executive officer. All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.
- 2.4 The Committee should be entitled to the services of a company secretary who must ensure that all appointments are properly made, that all necessary information is obtained from directors, both for the company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") or other regulatory requirements.
- 2.5 As an integral element of the process of appointing new directors, the Committee should help the Board to draw up an orientation and education programme for new recruits of the Board.
- 2.6 The Committee shall also assist the Board in development succession plans so that an appropriate balance of skills, experience, expertise and diversity is maintained.

3.0 Composition

- 3.1 The Nomination Committee (or "Committee") shall be appointed by the Board of Directors ("Board") from amongst their members and shall compose exclusively of Non-Executive Directors, majority of whom shall be Independent Directors. The Committee shall comprise of not less than three (3) members. The Committee shall be chaired by an Independent Non-Executive Director of the Company.
- 3.2 Where the membership of the Committee falls below three (3) due to retirement or resignation or any other reasons, the vacancy must be filled within three (3) months to make up the minimum of three (3) members.
- 3.3 Alternate Director shall not be eligible for appointment as a member of the Committee.
- 3.4 The terms of office of each member shall be for a period of three years and may continue office thereafter or may be subject to retirement by rotation as determined by the Board.
- 3.5 The effectiveness of the Committee shall be assessed by the Board on an annual basis.

4.0 Meetings

4.1 Frequency of Meeting

The Committee shall meet as and when the need arises subject to at least one (1) meeting per year.

4.2 Chairman of the Meeting

The Chairman of the Meeting must be an independent non-executive director. In the absence of the Chairman, the members present shall elect one of their members to chair the meeting.

4.3 Notice and Agenda of Meeting

Meeting may be scheduled by the Committee or the Chairman. Meeting agenda shall be the responsibility of the Chairman with input from the Committee members. The Chairman may ask the Management to participate in this process. Unless all agreed, the notice and agenda of meeting shall be circulated at least seven (7) days before each meeting to the Committee members and all those who are required to attend the meeting. Written materials including information requested by the Committee from the Management or external consultants shall be received together with the agenda for the meeting.

4.4 Quorum for the Meeting

The quorum for a meeting shall be two (2) members with a majority of them being independent non-executive directors.

4.5 Attendance by Invitation

The Deputy Executive Chairman of the Company shall normally be invited to the meeting in his capacity as the Head of the Management team. The Committee may invite any other directors or employees within the Company to attend any of its meetings. The Committee is also authorised to obtain external professional advice and if required, to invite outsiders with the relevant experience and expertise to attend the meeting to assist the Committee in its deliberations.

4.6 Meeting via Telecommunication Device

1) A member shall be deemed to be present at a meeting of the Committee if he participates by instantaneous telecommunication device and all members of the Committee are able to hear each other and recognise each other's voice, and for this purpose, participation constitutes *prima facie* proof of recognition. For the purposes of recording attendance, the Chairman or Secretary of the Committee shall mark on the attendance sheet that the member was present and participating by instantaneous telecommunication device.

- 2) A member may not leave the meeting by disconnecting his instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the meeting and a member will be conclusively presumed to have been present and to have formed part of the quorum at all times during the committee meeting by instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the meeting to leave the meeting.
- 3) Minutes of the proceedings at a Committee meeting by instantaneous telecommunication device will be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as correct minutes by the Chairman of the meeting.

4.7 Decision

Questions arising at any meeting shall be decided upon by a majority vote, each member having one (1) vote. In the event of equality of votes, the Chairman of the Committee shall have a casting vote.

4.8 Secretary of the Meeting

The Company Secretary shall be the Secretary of the Committee. Minutes shall be signed by the Chairman of the Meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes shall be circulated to all members of the Committee and of the Board.

4.9 Resolution in Writing

A resolution in writing signed and approved by a majority of the Committee and who are sufficient to form a quorum shall be as valid and effective as if it had been passed at a Meeting of the Committee duly called and constituted.

4.10 Minutes of Meeting

Minutes shall be signed by the Chairman of the Meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes shall be circulated to all members of the Committee and of the Board.

4.11 Reporting to the Board

The Committee, through its Chairman, shall report to the Board at the next Board of Directors' Meeting after each Committee meeting.

5.0 Authority

The Nomination Committee shall have the authority, as necessary and appropriate, to consult with outside advisers to assist in their duties to the Company including to utilise independent sources to identify suitably qualified candidates for members of the Board and Senior Executives.

6.0 Information for Annual Disclosure

The Committee shall provide such information to the Board as necessary to assist the Board in making a disclosure in the Annual Report in accordance with the Malaysian Code on Corporate Governance and the ACE Market Listing Requirements of Bursa Securities.

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