

**NOMINATION COMMITTEE  
TERMS OF REFERENCE**

**1. OVERALL OBJECTIVE**

1.1 The Nomination Committee is delegated by the Board of Directors (“Board”) to identify and recommend to the latter, the nomination of new Directors to the Board, oversee the orientation of new Directors and the appointment of Senior Management. The Nomination Committee is also charged to assess the effectiveness of the Board as a whole and the Board Committees and the incumbent Directors, including the Independent Directors and to review the performance of Senior Management.

**2. SCOPE**

2.1 Identify and recommend candidates to the Board and Senior Management based on their skills, knowledge and experience, professionalism and integrity. In the case of Independent Directors, the Nomination Committee shall also evaluate the candidate's ability to discharge such responsibilities as expected from an Independent Director.

2.2 In identifying candidates for appointment of director, the Nomination Committee will consider utilising independent sources to identify suitably qualified candidates.

2.3 To consider the gender diversity where the Board maintains a policy that at least one member of the Board shall be of a female gender.

2.4 Assess on an annual basis, the effectiveness of the Board, as a whole and Board Committees in light of the needs of the Company and the operating environment and the contribution of each director, including character, experience, competency, integrity and time commitment.

2.5 A Directors' Fit and Proper Policy has been established to guide the Nomination Committee in reviewing and assessing candidates that are to be appointed onto the Board as well as Directors who are seeking election and re-election.

2.6 Review performance of the Senior Management including recommendation for renewal of their service contract.

2.7 Review the term of office and performance of the Audit Committee and each of the Audit Committee Members annually to determine whether the Audit Committee and its Members have carried out their duties in accordance with their terms of reference.

2.8 Recommend a continuous education program for Board members to enhance their effectiveness.

2.9 Work together with the Remuneration Committee and the Board of Directors to develop an effective development and succession plan for Executive Directors and Senior Management of the Group.

2.10 Provide its assessment of the Executive Directors and Senior Management to the Remuneration Committee in its deliberation of the incumbents' remuneration packages.

### **3. MEMBERSHIP**

- 3.1 The Nomination Committee shall comprise exclusively of Non-Executive Directors, the majority of whom are Independent Directors. The Nomination Committee shall be chaired by an Independent Director. Appointment of a member of the Nomination Committee is the prerogative of the Board, after having considered his integrity and objectivity.
- 3.2 Removal of a member of the Nomination Committee is also the prerogative of the Board.

### **4. FREQUENCY OF MEETINGS**

- 4.1 The Nomination Committee shall meet at least once a year and as and when necessary.
- 4.2 The quorum for the meeting shall be two (2) members.

### **5. REVIEW OF THE TERMS OF REFERENCE**

- 5.1 The terms of reference shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements that may have an impact on the discharge of the Nomination Committee's responsibilities.
- 5.2 The Nomination Committee shall recommend any change to its terms of reference in such manner as the Nomination Committee deems appropriate to the Board for approval.
- 5.3 The written Terms of Reference will be made to public on the Company's website at [www.boilermech.com](http://www.boilermech.com).