



**MIECO CHIPBOARD
BERHAD**

TERMS OF REFERENCE OF NOMINATION COMMITTEE

OBJECTIVES

The Nomination Committee (“NC”) is established by the Board of Directors (“Board”) with the specific responsibility for selection and assessment of Directors and Key Senior Management. It has the duty to strengthen composition with boardroom diversity and appropriate mix of skills to ensure sustainability of the Group, which include succession planning and skills development.

MEMBERSHIP

- a) The NC shall be appointed by the Directors from amongst their members and shall comprise not fewer than three (3) in number.
- b) The member of NC shall be non-executive directors, a majority of whom are independent.
- c) If a member of the NC resigns or for any other reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.
- d) The membership of the NC shall be terminated upon the cessation of him/her as a Director of the Company, or as determined by the Board.

CHAIRMAN

The members of the NC shall elect a Chairman from amongst themselves who shall be an Independent Director of the Company.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the NC are as follows: -

- a) to establish and recommend to the Board for approval, the minimum requirements for the Board, i.e. required mix of skills, experience, knowledge, qualification, age, cultural background, gender, and other core competencies required of a Director.
- b) to oversee the overall composition of the Board, in terms of the appropriate size and skills, experiences and other qualities including core competencies which Non-Executive Directors should bring to the Board, the independence of each Independent

Director, the balance between Executive Directors, Non-Executive Directors and Independent Directors as well as board diversity through annual review.

- c) to consider in making its recommendations, candidates for directorships proposed by the Board, management or major shareholders or other sources such as executive search firms.
- d) to establish the mechanisms for the formal assessment on the effectiveness of the Board as a whole, contribution of each Director to the effectiveness of the Board, the contribution of the respective Board Committees and the performance of Key Senior Management. The annual assessment to be conducted would be based on objective performance criteria as approved by the Board.
- e) to assess and evaluate the performance of the Board as whole, Board Committees, and each individual Director (which inclusive of the appropriate "Fit and Proper" criteria, as well as the performance in addressing the Company's material sustainability risks and opportunities).
- f) to assess and evaluate the independency and ability of the Independent Director to discharge such responsibilities as expected from an Independent Director.
- g) to assess and evaluate each Director has the character, experience, integrity, competence, and time to effectively discharge his role as a Director.
- h) to establish an appropriate framework or policy on succession planning for Executive Directors and Key Senior Management and to oversee the implementation of the succession planning. The succession planning frameworks or policy should be approved by the Board.
- i) to review the term of office and performance of the Board Committees and each of their members on an annual basis to determine whether such Board Committee and their members have carried out their duties in accordance with their terms of reference.
- j) to review the tenure of each Director and performance of the Director who is subject to retirement at the Annual General Meeting of the Company together with his contribution to the Board, and recommend to the Board on the re-election and re-appointment of the retiring Director.
- k) to ensure that all Directors receive appropriate and relevant continuous training programs in order to keep abreast with the latest development in the industry.
- l) to consider and examine such other matters as the NC considers appropriate or delegated by the Board from time to time.

RIGHTS OF THE NC

Wherever necessary and reasonable for the performance of its duties, the NC shall in accordance with the procedure to be determined by the Board and at the cost of the Company to: -

- a) have authority to investigate any matter within its terms of reference;
- b) have the resources which are required to perform its duties; and
- c) have full and unrestricted access to any information required to perform their duties.

MEETINGS AND MINUTES OF THE NC

- a) The NC shall meet not less than once a year and at such other times as the Chairman of the NC considers necessary or appropriate. The Chairman may call for additional meetings at any time at the Chairman's discretion.
- b) The quorum for the NC meeting shall consist at least of two (2) members.
- c) Any persons other the members of the NC may attend the NC meeting only at the invitation of the NC.
- d) The Company Secretary shall act as Secretary of the NC and shall be responsible for drawing up the agenda after deliberation with the NC Chairman and circulating it together with other supporting explanatory documentation to the NC prior to each meeting.
- e) The Secretary shall on the requisition of the members of the NC summon a meeting of the NC except in the case of an emergency, reasonable notice of every NC meeting shall be given in writing.
- f) The minutes of the NC meeting shall be prepared by the Secretary and extended to the Board for notation.
- g) Resolutions, proposals, and matters tabled for approvals at the NC meeting shall be decided by a simple majority of the members present. In the event of equality of votes, the Chairman of the NC shall have a second or casting vote.
- h) The NC is allowed to carry out its resolutions by way of circulation. A resolution in writing signed or approve by letter, electronic mail, telegram, telex or telexfax or other form of electronic communication by a simple majority of the NC, shall be valid effectual as if it had been passed at a meeting of the NC duly called and constituted.

All such resolutions shall be described as "Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by the Secretary in the minutes book.

REVIEW OF THE TERMS OF REFERENCE

The members of the Committee will assess, review and update the terms of reference periodically or as and when there are changes to the regulatory requirements, direction or strategies of the Company that may affect the Committee's role. The NC will recommend the changes for the approval of the Board.

Revised on 24 June 2022.