



## Terms of Reference of Nominating Committee

### **Functions**

The primary functions of the Committee are to:

1. assist the Board of Directors (“Board”) in ensuring the existence of the right mix of skills, knowledge, experience, qualities, gender, nationality and age including core competencies amongst the Board members that are relevant and contribute to the effective functioning of the Board;
2. consider and recommend to the Board, candidates for appointment to the Board and Board Committees;
3. formulate and implement a formal and transparent procedure for appointment of new directors;
4. assess the effectiveness of the Board, Board Committees and individual directors;
5. review and ensure adequate training programmes for the Board and facilitate Board induction for new member of the Board, which training shall include training on anti-bribery and anti-corruption laws and regulations, and the anti-corruption system (“ACS”) implemented by Fraser & Neave Holdings Bhd (“the Company” or “FNHB”) for itself and for its group of companies (“FNHB Group”).
6. review the succession plans of the Chief Executive Officer (“CEO”) and the Board;
7. consider and recommend candidates for appointment of the CEO of the Company; and
8. review directors’ independence and conflict of interests, if any.

### **Composition**

1. The Committee shall comprise at least three (3) members. All members of the Committee must be non-executive directors with a majority of them being independent directors as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).
2. The chairman of the Committee shall be the senior independent director appointed by the Board or an independent director.
3. In the event of any vacancy in the Committee (other than the requirement for independent directors) resulting in the number of members reducing to below three (3), the Board must fill the vacancy within six (6) months.

### **Duties and Responsibilities**

To carry out the functions described above, the Committee shall have the following duties and responsibilities:

1. Recommend to the Board the right size, structure and composition of the Board and Board Committees and ensure 1/3 of the Board is made up of independent directors as required under the Listing Requirements.
2. Review annually the required mix of skills, knowledge, experience, qualities, gender, nationality and age including core competencies which non-executive directors should bring to the Board and the time required of non-executive directors to fulfil their duties.

3. In recommending to the Board, candidates for directorship proposed by any director, shareholder, senior management staff or external advisor, the Committee shall consider the candidates':
  - a) skills, knowledge, expertise and experience;
  - b) professionalism;
  - c) integrity;
  - d) competencies, commitment, contribution and performance;
  - e) gender, nationality and age;
  - f) cultural background; and
  - g) in case of candidates for the position of independent non-executive directors, the candidates' ability to discharge such responsibilities and functions as expected from independent non-executive directors

(other than proposals for appointment of resident directors pursuant to applicable laws and employees of the Group who have been nominated by any director or the CEO of the Company to act as directors of the Company's subsidiaries).

4. Recommend to the Board, appointments from amongst the Board members to fill the seats of the Board Committees, in consultation with the chairman of the respective Board Committees. In the event that the chairman's position (regardless of board/board committee) is to be filled, to consult with the Board.
5. Develop, maintain and review the criteria to be used in the recruitment process and annual assessment of the Board including the independence of independent directors of the Company.
6. Establish a policy of boardroom diversity including diversity in gender, nationality, age and cultural background, and representation of interest groups and identify measures to implement the policy.
7. Recommend to the Board, candidates for re-election of directors by shareholders at annual general meeting under the annual re-election provisions or retirement pursuant to the relevant laws.
8. Implement the process approved by the Board on annual evaluation of the effectiveness of the Board as a whole, Board Committees and individual directors including independent non-executive directors as well as the CEO. Review annually the term of office and performance of 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. Review the evaluation results and report the findings and recommendations to the Board. Ensure all assessments and evaluations carried out by the Committee are properly documented.
9. Assess the independence of independent directors. The tenure of an independent director shall not exceed a cumulative term of nine (9) years and shall not be further extended unless the independent director is re-designated as non-independent.

As it is not contemplated that any independent director will continue to serve on the Board as a non-independent director, the Nominating Committee shall be entitled to commence a search for replacement of an outgoing independent director prior to the end of the anticipated nine (9)-year term.

10. Review training programmes for the Board, evaluate and determine the training needs of the Board and ensure that the Board receives adequate training, including training on anti-bribery

and anti-corruption laws and regulations, and the ACS of the FNHB Group, in order to be able to discharge its functions effectively.

11. Facilitate Board induction for new members of the Board to ensure that they are well-informed and well-equipped to be able to discharge their duties effectively.
12. Review the succession plans for the CEO and the Board to ensure smooth transition and evaluate potential successors by taking into account the challenges and opportunities facing the Company and the skills and expertise including diversity, needed on the Board in future.
13. Recommend suitable candidates for the role of senior independent director, as applicable.
14. Ensure that investments of minority shareholders of the Company are fairly reflected in the Board, where applicable.
15. Review proposals for appointment of the CEO of the Company and make recommendation to the Board for approval. Review the key performance indicators of the CEO.
16. Review and recommend to the Board in respect of directors' independence and conflicts of interests, if any and the steps to be taken to manage potential conflicts of interest.
17. Conduct an annual evaluation of the Committee's performance.
18. Review and approve proposal for appointment of a suitable professional experienced and independent expert to carry out the Board evaluation annually based on the agreed criteria set.

#### **Authority**

1. In carrying out its duties and responsibilities, the Committee shall have the authority to:
  - a) review matters within this terms of reference and make recommendation to the Board for approval;
  - b) review and approve matters within its authority set out in the Chart of Authority.
  - c) seek any information it requires from any employee in order to perform its duties and have access to all relevant records;
  - d) invite any employee or other individual to attend a meeting of the Committee; and
  - e) seek outside professional advice to carry out its duties and to invite their attendance at the Committee meeting, if necessary.
2. The Committee shall have access to the services of the secretary of the Company on all Committee matters including assisting the chairman in planning the Committee works, drawing up meeting agenda, collection and distribution of information and provision of any other necessary support.

### **Role of Chairman**

The chairman of the Committee shall lead the succession planning and appointment of board members including the future chairman and CEO, and annual review of Board effectiveness, ensuring the performance of each individual director is independently assessed.

### **Secretary**

The secretary of the Company shall be the secretary of the Committee. The secretary shall in her/his absence, nominate a minute secretary to record the proceedings of the meeting of the Committee.

### **Meeting and Minutes**

1. The Committee shall meet as frequently as required but at least twice a year. Its quorum shall be two (2) members.
2. The chairman of the Committee will in consultation with the other members of the Committee be responsible for calling meetings of the Committee, establishing the agenda and supervising the conduct thereof.
3. Notice of meeting and relevant meeting papers shall be distributed to the Committee members at least five (5) business days prior to the scheduled meeting, except under special circumstances whereby a special meeting of the Committee is called by the chairman of the Committee.
4. If at any meeting, the chairman of the Committee is not present within fifteen (15) minutes after the time appointed for holding the meeting, the members present may choose one of their numbers who is a non-executive director to be the chairman of the meeting.
5. Attendance at a meeting may be in person or by way of participation via video conference or teleconference or such other means as may be agreed by the Committee.
6. The chairman of the Committee shall report to the Board on its proceedings after each Committee meeting.
7. The minutes of meeting shall be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next meeting. The minutes shall be circulated to all members of the Committee and the Board.
8. The secretary shall keep the minutes of the Committee meetings at the Company's registered office. The minutes shall be open for inspection by any member of the Committee and the Board.
9. A resolution in writing signed by all members of the Committee for the time being entitled to receive notice of a meeting of the Committee, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents (or facsimiles thereof) in like form, each signed by one or more members of the Committee. For the purpose of this paragraph, "in writing" and "signed" include approval by facsimile and email.

### **Decision Making**

Decisions on any matter within the purview of the Committee shall be made on a majority basis.

**Review of Terms of Reference**

The Committee shall with the assistance of Management review the adequacy of this terms of reference on a regular basis and may from time to time recommend the proposed changes to the Board as it deems appropriate to reflect new best practices and new legal or regulatory requirements.

(End of Terms of Reference)