



## **TERMS OF REFERENCE OF NOMINATION COMMITTEE**

### **1. COMPOSITION**

- 1.1 The Nomination Committee (“the Committee”) shall be appointed by the Directors from among themselves and shall comprise exclusively of Non-Executive Directors with a majority thereon being Independent Directors;
- 1.2 The Chairman of the Committee shall be an Independent Non-Executive Director or Senior Independent Non-Executive Director of Perisai Petroleum Teknologi Bhd (“PERISAI” or “the Company”) appointed by the Board. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst themselves.
- 1.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Managing Director/Chief Executive Officer and external advisers and/or other appropriate officers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

### **2. OBJECTIVE**

- 2.1 The objective of the Committee is to ensure that the Directors of the Board comprise persons that would bring a mix of responsibilities, skills and experience to the Board. The Committee will also assist the Board in reviewing on an annual basis the appropriate balance and size of Non-Executive participation and in establishing procedures and processes towards an annual assessment of the effectiveness of the Board as a whole and contribution of each individual Director and Board Committee member as well as the independence of independent directors.
- 2.2 When a vacancy exists or when it is considered that the Board would benefit from the services of a new Director, the Committee shall recommend to the Board on or more candidates with the appropriate expertise and experience. The Committee may in making its recommendations, consider candidates for directorships proposed by the Managing Director and within the bounds of practicability, by any Director or by shareholder or if necessary, utilises independent sources to identify suitably qualified candidates. The Committee will then make its recommendation on the candidates for proposal to the Board for approval.

**3. ADVISERS**

- 3.1 The Committee is authorised by the Board to seek appropriate professional advice inside and outside the Group at the Company's expense, as and when it considers this necessary in the discharge of its responsibilities.

**4. MEETINGS**

- 4.1 The Committee shall meet at least once a year. The Committee will meet as and when required and report to the Board after each meeting.
- 4.2 The Committee Meetings shall be chaired by the Chairman of the Committee. In the absence of the Chairman of the Committee, the members present shall elect from among themselves who would qualify under these terms of reference to be appointed to that position of the Board, a Chairman for the Meeting. The Chairman also has discretion to call for additional meetings at any time. The quorum for each meeting shall be two (2) members, both of whom must be independent directors. All recommendations and findings of the Committee shall be submitted to the Board of Directors for approval. In the absence of a meeting, any issues shall be resolved through circular resolution.
- 4.3 The Company Secretary or his/her representative shall act as the Secretary of the Committee.
- 4.4 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 members.
- 4.5 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.

**5. AUTHORITY**

- 5.1 The Committee should not have delegated power from the Board to implement its recommendations but would be obliged to report its recommendations back to the full Board for its consideration and implementation. This is in recognition of the importance of diversity within the Board and the need for Board membership to be endorsed by all or the majority. In carrying out its duties and responsibilities, the Committee will in principle have access to PERISAI's records, properties and personnel. The Committee may use the services of professional recruitment firms to source for the right candidate for directorship or see independent professional advice whenever necessary.

## 6. ANNUAL GENERAL MEETING

- 6.1 The Chairman of the Committee should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

## 7. DUTIES AND RESPONSIBILITIES

- 7.1 The following are the main duties and responsibilities of the Committee collectively.

There are not exhaustive and can be augmented, if necessary, by Board's approval:-

- a) Examine the size of the Board with a view to determine the number of Directors on the Board in relation to its effectiveness and ensure that at every annual general meeting, one-third of the Directors for the time being shall retire from office. A retiring Director shall be eligible for re-election. Every director, including the Managing Director, shall be subject to retirement at least once in every three (3) years.
- b) Review annually the structure, size and composition (including skills, knowledge, experience and diversity) of the Board, including core competencies which non-executive Directors should bring to the Board and the appropriateness and fulfillment of the diversity representation of the Board which diversity includes gender, age, experience and ethnicity, and disclose the same in the Annual Report.
- c) Develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors.
- d) Recommend suitable orientation, educational and training programmes to continuously train and equip the existing and new Directors.
- e) Ensure that the appointment of any Managing Director or Executive Director of PERISAI shall be for a fixed term not exceeding three (3) years at any one time with power to re-appoint, remove or dismiss thereafter.
- f) Subject to the provisions of paragraph (h) below, ensure that the tenure of any independent director should not exceed a cumulative term of nine (9) years.
- g) Subject to the provisions of paragraph (h) below, ensure that upon the completion of the nine (9) years, an independent director may only continue to serve on the board subject to the Director's re-designation as a non-independent director.

- h) May however consider and recommend to the board that it retains as an independent director a person who has served in that capacity for more than nine (9) years on condition that it is able to provide strong justification to support the recommendation to enable the board to justify and seek shareholders' approval.
- i) Recommend to the Board, candidates for all directorships proposed by the Managing Director and, within the bounds of practicability, by any other senior executive or any Director or shareholder and to recommend to the Board candidates to fill the Audit, Nomination, Remuneration or other Board Committees, A description/specification for the new Directors should be drafted before identifying possible candidates. Candidates should be evaluated against this specification. In making its recommendations, the Committee shall assess and consider the candidates':-
  - i) skills, knowledge, expertise and experience;
  - ii) commitment (including time commitment) to effectively discharge his/her role as a Director;
  - iii) professionalism;
  - iv) boardroom diversity including gender, age, professional background and ethnicity diversity;
  - v) character, integrity, commitment (including time commitment) and competence; and
  - vi) in the case of candidates for the position of independent non-executive Directors, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from independent non-executive Directors.
- j) Review the Board's succession plans.
- k) Recommend to the Board the Company's gender, age, experience and ethnicity diversity policies, targets and discuss measures to be taken to meet those targets.
- l) Review and recommend to the Board, candidates for the position of chief executive officer.
- m) Review the character, experience, integrity, competence and time to effectively discharge the roles of chief executive and chief financial officer\*.
- n) Ensure that woman candidates are sought as part of recruitment exercise.

- o) Assess annually the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director including his time commitment, character, experience and integrity vide a formal and objective assessment. All assessment and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented and disclosed in the Annual Report.
- p) Assess annually the continued independence of independent directors.
- q) Consider and recommend the Directors for re-election/re-appointment at each Annual General Meeting.
- r) Assess annually the term of office and performance of the 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.

## **8. REPORTING RESPONSIBILITIES**

- 8.1 The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters with its duties and responsibilities.
- 8.2 The Committee shall make whatever recommendation to the Board it deems appropriate or any area within its remit where action or improvement is needed.
- 8.3 The Committee shall produce a report to be included in the Company's annual report about its activities in the discharge of its duties and the process used to make appointments and explain if external advice or open advertising has not been used.

## **9. MINUTES**

- 9.1 The minutes of meetings of the Committee shall be circulated to all members of the Board. The minutes shall be kept at the registered office of the Company under the custody of the Secretary of the Company and shall be open for inspection by the Board. Any request by Management or other persons to inspect the minutes shall be subject to the approval of the Committee.

## **10. REVISION OF THE TERMS OF REFERENCE**

- 10.1 Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third party, shall be presented to the Board for its approval.

Perisai Petroleum Teknologi Bhd.  
(Company No. 632811-X)  
Terms of Reference of Nomination Committee

- 10.2 Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and shall be considered duly revised or amended.
- 10.3 The duly revised or amended Terms of Reference shall be published on the Company's website.

\*Definition of:-

Chief Executive – means the principal executive officer of the corporation for the time being, by whatever name called and whether or not he is a director

Chief Financial Officer – means the person primarily responsible for the Management of the financial affairs of the corporation (such as record keeping, financial planning and financial reporting), by whatever name called.

Dated this: 27<sup>th</sup> September 2018

Approved by:

The Board of Directors of  
Perisai Petroleum Teknologi Bhd