

AMVERTON<sub>BERHAD</sub>

**TERMS OF REFERENCE  
FOR NOMINATING  
COMMITTEE**



Updated as at 20th April 2018

## **Terms of Reference for Nominating Committee**

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### **1. Objectives**

The Nominating Committee is established to assist the Board in proposing new nominees for the Board. The decision as to who shall be nominated shall be the responsibility of the full board.

- 1.1 In accordance with the Company's Constitution, all Directors who are appointed by the Board are subject to election by shareholders at the first Annual General Meeting after their appointment;
- 1.2 In accordance with the Constitution, one-third (1/3) of the remaining Directors, are required to submit themselves for re-election by rotation at each Annual General Meeting. In compliance with the MMLR of the Bursa Securities, which came into force on 1 June 2001, all Directors are required to submit themselves for re-election at least once every three (3) years; and
- 1.3 Practice 4.1 of Malaysian Code of Corporate Governance requires at least half of the board comprises Independent Directors.

### **2. Composition**

#### **Member**

- 2.1 The Nominating Committee comprises three (3) members, of which the majority shall be Independent Non-Executive Directors.

#### **Chairman**

- 2.2 The Chairman of the Nominating Committee shall be an Independent Non-Executive Director.

## **Secretary**

- 2.3 The Secretary of the Nominating Committee shall be the Company Secretary of the Company.

### **3. Functions and Responsibilities**

- 3.1 To review on an annual basis the required mix of skills and experience and other qualities, including core competencies which Non-Executive and Executive Directors should have;
- 3.2 To assess on an annual basis, the effectiveness of the Board as a whole, the committees of the Board and assessing the contribution of each individual Director, including Independent Non-Executive Directors, as well as the Managing Director;
- 3.3 To assess on annual basis, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's designation as a Non-Independent Director. To retain as Independent Director, the Board shall justify and seek shareholder's approval for a person who has serve in that capacity for more than nine (9) years; if the Board continues to retain the independent director after the twelfth year, the Board should seek annual shareholders' approval through a two-tier voting process;
- 3.4 To recommend to the Board, candidates for all directorship to be filled by shareholders or the Board, including those proposed by the Managing Director or any senior executives of the Company;
- 3.5 To recommend to the Board, Directors to fill the seats on Board Committees; and
- 3.6 To carry out responsibilities with the assistance and services of a Company Secretary who shall 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 Main Marketing Listing Requirements of the Bursa Malaysia Securities Berhad or other regulatory requirements.

#### **4. Criteria in Selection of Nominating Committee's Candidate**

- 4.1 In making its recommendations, the Nominating Committee should consider the candidates':
  - 4.1.1 Skills, knowledge, expertise and experience
  - 4.1.2 Professionalism
  - 4.1.3 Integrity; and
  - 4.1.4 In the case of candidates for the position of Independent Non-Executive Directors, the Nomination Committee should also evaluate the candidate's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
- 4.2 In respect of the appointment of Directors, the Company practices a clear and transparent nomination process which involves the following five (5) stages:
  - Stage 1: Identification of candidates
  - Stage 2: Evaluation of suitability of candidates
  - Stage 3: Meeting up with candidates
  - Stage 4: Final deliberation by the Nomination Committee
  - Stage 5: Recommendation to the Board

#### **5. Annual Assessment of Independence**

- 5.1 The Board, through the Nomination Committee, assesses the independence of the Independent Non-Executive Directors annually, taking into account the individual Director's ability to exercise independent judgment at all times and to contribute to the effective functioning of the Board.
- 5.2 The Independent Non-Executive Directors are not employees and they do not participate in the day-to-day management as well as the daily business of the Company.
- 5.3 The Nominating Committee is responsible for the Board Effectiveness Evaluation process, covering the Board, Board Committees and individual Directors, including Independent Directors on an annual basis.

**6. Meeting**

It is good practice for the Nominating Committee to hold at least one (1) meeting in a year. The Nominating Committee shall meet as required and report to the Board after each meeting.

**7. Quorum**

A quorum shall consist of at least two (2) members.