

# **HAILY GROUP BERHAD**

Registration No. 202001006412 (1362732-T)

*(Incorporated in Malaysia)*

## **TERMS OF REFERENCE FOR NOMINATING COMMITTEE**

### **OBJECTIVES & PURPOSES**

The Board's Nominating Committee ("NC" or "the Committee") is established as a Committee of the Board pursuant to Clause 145 of the Company's Constitution.

### **I. COMPOSITION & APPOINTMENT**

1. The members of the NC shall be appointed by the Board of Directors from among the members of the Board.
2. The members of the NC shall comprise exclusively of Non-Executive Directors, a majority of whom shall be Independent Directors, as defined in Bursa Malaysia Securities Berhad's ACE Market Listing Requirements ("ACE LR") and shall consist of a minimum of not less than three (3) members. The appointment and position of a NC member shall automatically terminate when he ceases to be a member of the Board of Directors.
3. No Alternate Director shall be appointed as a member of the NC.
4. The chair of the NC should be an Independent Director or the Senior Independent Director identified by the board.
5. The effectiveness of the Committee shall be assessed by the Board on an annual basis.

### **II. RESPONSIBILITIES**

1. To oversee the selection criteria, recruitment process, recommend and nomination of new candidates to the Board, candidates for all directorships to be filled by the Board taking into consideration the candidates':-
  - competencies, commitment, contribution and performance;
  - professionalism;
  - integrity and objectivity; and
  - in the case of candidates for the position of independent non-executive directors, the candidates' ability to discharge such responsibilities/functions as expected from an independent non-executive directorincluding formalising its stand and approach to boardroom diversity (including, but not limited to age, gender and ethnicity).
2. Consider in making its recommendations, candidates for directorships proposed by the Chairman/Chief Executive Officer and within the bounds of practicability, by any other senior executive or any director or shareholder.
3. Recommend to the Board, directors to fill the seats on Board Committee.

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4. Reviewing on an annual basis, that the Board's size, composition and balance is appropriate and in particular that the required mix of skills, experience, cultural background, gender and other qualities of the Board, including core competencies which non-executive directors should bring to the Board are present.
5. To oversee the development, maintenance and review of the criteria to be used in the recruitment process and the annual review and assessment of the effectiveness of the Board as a whole, the committees of the Board, and the contributions of each individual director, including an assessment of the independence of the independent non-executive directors and their length of tenure in office in line with the recommendations of Malaysian Code on Corporate Governance ("MCCG").
6. To make an assessment, consider justifications and make recommendations on the element of independence of an Independent Director should the Board wish to retain as an Independent Director, a person who has served in that capacity for more than nine years.
7. Review of Board's succession plans and facilitate induction and training programmes.
8. To assess the training needs for each of the directors and senior management of the Company and thereafter, facilitate the appropriate training programmes in accordance to the individual director and senior management needs.
9. To oversee the appointment, management succession planning including extending diversity across the senior management, to form a talent pipeline for board candidacy and performance evaluation of the Board and Committees.
10. Review the term of office and performance of the Audit and Risk Management Committee ("ARMC") and each of its members annually to determine whether the ARMC and members have carried out their duties in accordance with their terms of reference.

### **III. POWER & AUTHORITY**

The NC has the power and authority to examine all issues as stated in its Terms of Reference and report to the Board with its recommendations.

In carrying out its duties and responsibilities the NC shall at the cost fully borne by the Company:

1. Have full and unrestricted access to the Company's resources, records, properties and personnel.
2. Be able to engage independent external professional advisers or consultants.
3. Be able to secure the attendance of outsiders with relevant experience and expertise.

### **IV. PROCEDURE FOR NC**

1. The NC may meet together for the dispatch of business, adjourn and subject to Clauses 145 to 147 of the Constitution, otherwise regulate their meetings as they think fit, provided that the Committee shall meet at least once a calendar year.

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2. A member NC, may participate in a meeting of the NC by means of a conference telephone, electronic or any communication facilities which allows all persons participating in the meeting to hear each other. A participant shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly notwithstanding the fact that he is not physically present at the venue where the meeting is to be held. The meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
3. Any member of the NC may at any time and the Secretary shall on such request summon a meeting of the NC.
4. At least seven (7) day's written notice of a meeting of a NC shall be given to all NC Members at his last known address or other address given by him. The NC Members may meet on shorter notice and waive notice of any meetings as they deem necessary subject to the consent and agreement of all NC Members.
5. The quorum necessary for the transaction of business shall be two (2) comprised of a majority of Independent Non-Executive Directors.
6. Questions arising at any meeting shall be determined by a majority of votes of the members present and a determination by a majority of members shall for all purposes be deemed a determination of the NC.
7. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote PROVIDED THAT where two (2) members form a quorum, the chairman of the meeting at which only such a quorum is present, or at which only two members are competent to vote on the question at issue, shall not have a casting vote.
8. The NC shall cause minutes to be duly entered into minutes books provided for the purposes:-
  - of the names of all NC members and other participants of each meeting of the NC;
  - of all resolutions and proceedings of the NC Meetings; and
  - of all orders, recommendations and reports made by the NC.

Such minutes shall be signed by the Chairman of the NC at which the proceedings were held or by the Chairman of the next succeeding meeting, and if so signed, shall be conclusive evidence without any further proof of the facts therein stated.

9. The books containing the minutes of the proceedings of the NC shall be kept by the Company at the Registered Office of the Company subject to the provisions of the Companies Act 2016, relating to keeping the minutes of the Board of Directors and any committee of the Board of Directors.

## **V. SECRETARY**

The Company Secretary shall be the Secretary of the NC ("Secretary"). The Secretary shall minute the proceedings and decisions of the NC's meetings and the minutes shall be circulated to the members of the NC and directors who are not members of the NC.

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**VI. PROVISION OF TERMS**

The NC shall ensure that its Terms of Reference is made available on request and the Terms of Reference shall be published on the Company's website. (*www.haily.my*)

**VII. REVIEW**

The NC will review its Terms of Reference at least once every three (3) years or as and when the need arises to keep it current and relevant at all times with the Malaysian Code on Corporate Governance and ACE LR.