

**SINO HUA-AN INTERNATIONAL BERHAD**

(Company No. 732227-T)

[Incorporated in Malaysia]

**TERMS OF REFERENCE OF NOMINATION COMMITTEE**

**1. Objectives**

The principal objective of the Nomination Committee is to assist the Board of Directors in their responsibilities in nominating new nominees to the Board of Directors. The Nomination Committee shall also assess the effectiveness and the contribution of the Board as a whole and each individual Director, the Board Committees and Senior Management of the Company on an on-going basis.

**2. Composition of members**

The Board of Directors shall elect the Nomination Committee members from amongst themselves and shall comprise at least two (2) members, exclusively of non-executive Directors and a majority of whom are independent.

Where the members of the NC for any reason are reduced to less than two (2), the Board shall, within three (3) months from the occurrence of the event, appoint such number of new members as may be required to make up the minimum number of two (2) members.

**3. Chairman**

The Chairman of the Nomination Committee shall be an Independent Director or the Senior Independent Director.

**4. Secretary**

The Secretary of the Nomination Committee shall be the Company Secretary.

**5. Meetings**

The Nomination Committee shall meet as and when required at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

The Nomination Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit by means of any communication technology by which all persons participating in the meeting are able to hear and be heard by all other participants without the need for a member to be in the physical presence in the meeting. The member participating in any such meeting shall be counted in the quorum for such meeting. All resolutions agreed by the member in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the members duly convened and held.

Resolutions, proposals and matters tabled for approvals at any meeting of the Nomination Committee shall be decided by a simple majority of the members present.

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The Secretary shall on the requisition of the members of the Nomination Committee summon a meeting of the Nomination Committee except in the case of an emergency, reasonable notice of every Nomination Committee meeting shall be given in writing.

In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the Meeting.

**6. Minutes**

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Nomination Committee and also to the other members of the Board.

The minutes of the Nomination Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

**7. Quorum**

A quorum shall consist of two (2) members, one of whom shall be the Chairman of the Nomination Committee.

**8. Circular Resolutions**

A resolution in writing signed by a majority of the Nomination Committee Members for the time being not being less than two (2) Nomination Committee Members shall be as valid and effectual as if it had been passed at a Meeting of the Nomination Committee duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more Nomination Committee Members. Any such document, may be accepted as sufficiently signed by a Nomination Committee Member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message purporting to include a signature of a Nomination Committee Member.

**9. Authority**

The Nomination Committee shall, in accordance with a procedure or process to be determined by the Board of Directors and at the expense of the Company:-

- (a) annually review the required mix of skills and experience and other qualities, including core competencies which Non-Executive and Executive Directors should have.
- (b) assess on an annual basis, the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director.

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- (c) assess on an annual basis, appointment and re-appointment of Independent Director as provided in Bursa Malaysia's Listing Requirements. The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. After a cumulative term of nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. However, if the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek shareholders' approval annually. If the Board continues to retain the Independent Director after year twelfth (12), the Board should provide justification and seek shareholders' approval annually through a two-tier voting process.
- (d) be entitled to the services of the Company Secretary who must 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 Listing Requirements of the Bursa Malaysia Securities Berhad or other regulatory requirements.

Notwithstanding anything stated above, the Nomination Committee does not have executive powers and shall report to the Board on matters considered and its recommendations thereon, pertaining to the Company and the Group.

**10. Duties and Responsibilities**

The duties and responsibilities of the Nomination Committee are as follows:-

- To recommend to the Board of Directors, candidates for all directorships to be approved by the shareholders or the Board of Directors. In making its recommendations, the Nomination Committee should consider the following attributes of candidates:
  - (a) skills, knowledge, expertise and experience;
  - (b) professionalism;
  - (c) integrity;
  - (d) competencies, commitment, contribution and performance; and
  - (e) in the case of candidates for the position of Independent Director, the Nomination Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Director.
- To consider, in making its recommendations, candidates for directorships proposed by the Directors and, within the bounds of practicability, by any other senior executive or any Director or shareholder and to take steps to ensure that gender, ethnicity and age group diversity is considered as part of its recruitment exercise.

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- To recommend to the Board the optimum size of the Board, and formalising a transparent procedure for proposing new nominees to the Board and Board Committees.
- To recommend to the Board of Directors the nominees to fill the seats on Board Committees.
- To consider candidates for Board vacancies and recommending Directors who are retiring by rotation to be put forward for re-election.
- To assess the effectiveness of the Board of Directors and Board Committees as a whole and each individual Director including Executive Directors (if any). All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions should be properly documented.
- To review the term of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.
- To assist the Board in reviewing on an annual basis the required mix of skills and experience and other qualities, including core competencies of Non-Executive Directors.
- To develop, maintain and review the performance criteria to be used in the recruitment process and evaluate the performance of each member of the Board of Directors and Board Committees.
- To develop the criteria to assess independence and to assess on an annual basis, the independence of the Independent Non-Executive Directors and recommend the same to the Board.
- To establish time commitment expectations for the members of the Board.
- To establish a policy formalising its approach to boardroom diversity.
- To review training programmes for the Board and facilitate board induction and training programmes.
- To act in line with the directions of the Board of Directors.
- To consider and examine such other matters as the Nomination Committee considers appropriate.

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*This terms of reference may change from time to time to fulfill such other requirements as prescribed by the Bursa Malaysia Securities Berhad.*