



富佳木業有限公司

FOCUS LUMBER BERHAD (188710-V)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

1. **Members**

The Nomination Committee shall be appointed by the Board of Directors and shall consist of not less than 3 members of which comprising exclusively Non-Executive Directors, with a majority of whom must be Independent Non-Executive Directors.

In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months.

The Board of Directors must review the term of office and performance of the Committee and each of its members annually to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

2. **Chairman**

The Chairman shall be elected by the Committee from among their members. The Chairman of the Committee shall be an Independent Director or the Senior Independent Non-Executive Director.

The role of the Committee's Chairman shall include:-

- i. Leading in succession planning and appointment of board members, future Chairman and Chief Executive Officer; and
- ii. Leading the annual review of board effectiveness, ensuring that the performance of each individual director is independently assessed.

3. **Secretary of Nomination Committee**

The Company Secretaries of the Company or such substitute as appointed by the Directors from time to time shall act as the secretary of the Nomination Committee during the term of his/her appointment.

4. **Functions**

The Committee shall:-

- i. assess and recommend to the Board of Directors, the candidates for all directorships to be filled by the shareholders or the Board of Directors. In making its recommendations, the Nomination Committee should consider the candidates:-



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- skills, knowledge, expertise and experience;
 - professionalism;
 - integrity;
 - 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; and
 - time commitment;
- ii. consider, in making its recommendations, candidates for directorships proposed by the Managing Director/Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any director or shareholder;
- iii. recommend to the board, directors to fill the seats on board committees;
- iv. assess annually the effectiveness of the board as a whole, the committees of the board and the contribution of each existing individual director and thereafter, recommend its findings to the board;
- v. review training programs for the Board of Directors and ensure that all directors undergo appropriate induction programs and receive continuous training;
- vi. review annually the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the board and thereafter, recommend its findings to the board;
- vii. develop the criteria for recruitment process and to assess the independence of Independent Directors annually, especially on those who has served for a cumulative term of 9 years and to disclose the reviews to the shareholders for their information;
- viii. apply the process as determined by the Board of Directors, for assessing the effectiveness of the board as a whole, the committees of the board, and for assessing the contribution of each individual director, including Independent Non-Executive Directors, as well as the Chief Executive Officer where all assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented;
- ix. review board's succession plans; and
- x. facilitate achievement of board gender diversity policies and targets and review the gender diversity policy from time to time.

Registered Office: Mile 3, Jalan Masak, Kampung Ulu Patikang, Locked Bag 13 SM-88, 89009 Keningau, Sabah, Malaysia
Tel: 087-334761/4/6, 335457/8 Fax: 087-335459 Email: focuskgu@focuslumber.com.my

Branch Office: 12A, Jalan Teluk Likas, P. O. Box 576, 88856 Kota Kinabalu, Sabah, Malaysia
Tel: 088-393255/ 393257/ 393258 Fax: 088-393169 Email: focuskk@focuslumber.com.my



- xi. review the term of office and performance of an audit committee and each of its members annually to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.

5. Procedure of Committee Meetings

(i) Frequency of Meetings

The Committee should meet regularly, with due notice of issues to be discussed and should record its conclusion in discharging its duties and responsibilities. The Committee should disclose the number of committee meetings held in a year and the details of attendance of each individual member in respect of meetings held in the Company's Annual Report.

(ii) Calling

Any member may at any time, and the Secretary shall on the requisition of any of the member, summon a meeting.

The Nomination Committee meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enable the Nomination Committee members as a whole to participate for the entire duration of the meeting, and that all information and documents for the meeting must be made available to all members prior to or at the meeting. A minute of the proceedings of such meeting is sufficient evidence of the proceedings to which it relates.

(iii) Notice

Except in the case of an emergency, notice of every meeting shall be given in writing to all its members at least five (5) business days before the meeting. A notice of each meeting shall be served to the Nomination Committee member either personally or by fax or by post or by courier or by e-mail or other electronic means provided by the Nomination Committee member.

(iv) Quorum

The quorum shall be 2 members with majority of Independent Non-Executive Directors.



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(v) Voting

A resolution put to the vote of the meeting shall be decided on a show of hands. In the case of an equality of votes, the Chairman shall be entitled to a second or casting vote.

(vi) Keeping of Minutes

Minutes of each meeting shall be signed by the Chairman of the meeting at which the proceedings were held and kept as part of the statutory record of the Company upon confirmation by the Board and a copy shall be distributed to each member of the Nomination Committee.

(vii) Custody, production and inspection of such minutes

The minutes shall kept by the Company at the Registered Office or the principal place of business in Malaysia of the Company, and shall be open to the inspection of any member of the committee without charge.

(viii) Access to Advice

In furtherance to their duties as the Committee's members of the Company, there should be an agreed procedure for the members, whether as a full Committee or in their individual capacity, to take independent professional advice at the Company's expense, if necessary.

(ix) Resolution

A resolution in writing signed or approved by letter or telefax or other electronic means by the members of a committee who may at the time be present in Malaysia and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the committee duly called and constituted. Any such resolution may be executed in any number of counterparts, each signed by one or more members of the committee all of which taken together and when delivered to the secretary of the committee shall constitute one and the same resolution.

(Revised on 29 March 2018)