



# **NWP HOLDINGS BERHAD**

*(Company No. 495476-M)*

## **NOMINATION COMMITTEE TERMS OF REFERENCE**

**(Incorporating amendments  
as at 25 January 2019)**

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## **NOMINATION COMMITTEE TERMS OF REFERENCE**

### **1. Objective**

- 1.1. The primary objective of the Nomination Committee (“NC”) is to establish a documented, formal and transparent procedure to support and advise the Board in fulfilling their responsibilities to ensure the Board and the key management of the Company comprised individuals with the appropriate mix of qualifications, skills and experience.

### **2. Composition of members**

- 2.1. The members of the NC shall be appointed by the Board comprising at least three (3) directors and exclusively Non-Executive directors, a majority of whom must be independent.
- 2.2. The Chairman of the NC shall be an Independent Non-Executive Director appointed by the Board amongst the members of the NC. In the absence of the Chairman, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these Terms of Reference to be appointed by the Board.
- 2.3. Only members of the NC have the right to attend the NC meeting. However, other individuals such as the Human Resource representatives and other relevant department as well as external advisors may be invited to attend all or part of the meeting as and when appropriate and necessary.
- 2.4. In order to avoid conflict of interest, a member of the NC shall abstain from participating in discussions and decisions on matters directly involving himself/herself.

### **3. Authority**

- 3.1. NC is authorized by the Board to investigate any activity within its Terms of Reference. It is authorized to seek any information from any employees and all employees are directed to cooperate with any request made by the NC.
- 3.2. NC is authorized by the Board to obtain independent legal or other professional advice as and when it considers necessary at the expense of the Company.

### **4. Duties and Responsibilities**

In fulfilling its primary objectives, NC shall undertake amongst others, the following duties and responsibilities:

- 4.1. The NC shall undertake an annual review of the Board’s succession plans, taking into consideration, the present size, structure and composition of the Board and Board Committees as well as the required mix of skills, experience and competency required and make recommendations to the Board with regard to any adjustments that are deemed necessary;

- 4.2. The NC has to facilitate the evaluate the effectiveness of the Board as a whole, the various Committees and each individual Director's contribution to the effectiveness on the decision making process of the Board;
- 4.3. The NC shall give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the Board in the future;
- 4.4. The NC shall be responsible for identifying and make recommendation to the Board on new candidates for election/appointment to the Board or to fill board vacancies as and when they arise;
- 4.5. The NC shall ensure that orientation and education programmes are provided for new members of the Board;
- 4.6. The NC shall recommend to the Board concerning the re-election/re-appointment of Director to the Board pursuant to the provisions in the Company's Article of Association;
- 4.7. In determining the process for the identification of suitable candidates, the Committee will ensure that an appropriate review is undertaken to ensure the requirement and qualification of the candidate nominated based on a prescribed set of criteria comprising but not limited to the following:
  - Skills, knowledge, expertise and experience;
  - Professionalism;
  - Integrity;
  - Existing number of directorships held;
  - Confirmation of not being an undischarged bankrupt or involved in any court proceedings in connection with the promotion, formation or management of a corporation or involving fraud or dishonesty punishable on conviction with imprisonment or subject to any investigation by any regulatory authority under any legislation; and
  - In the case of candidates being considered for the position of Independent Director, such potential candidates have the ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors. Amongst others, the potential candidates must fulfil the criteria used in the definition of "independent directors" prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and being able to bring independent and objective judgement to the Board.

Where required, the members of the NC would meet up with potential candidates for the position of director to conduct an assessment of the suitability.

*(Note: The Group practices non-discrimination in any form whether based on age, gender, ethnicity or religion throughout the organisation and this includes the selection of directors)*

- 4.8. The NC shall undertake an annual review of the training programmes attended by the Directors for each financial year as well as the training programmes required to aid the Directors in the

discharge of their duties as Directors and to keep abreast with industry developments and trends;  
and

- 4.9. The NC shall provide a report summarising its activities for the year in compliance with the Malaysia Corporate Governance Code, Listing Requirements and any relevant regulations. The report can be incorporated into the corporate governance statement in the annual report or included as a separate report.

## **5. Secretary**

- 5.1. The Secretary to the NC shall be the Company Secretary of the Company.
- 5.2. The Secretary is responsible to prepare the minutes of the NC meetings and circulate the minutes of the NC meetings promptly to all members of the NC and table the same to the Board for notation.

## **6. Meetings**

- 6.1. The NC shall meet at least once a year and as frequently as may be required.
- 6.2. In the event the elected Chairman is not able to attend a meeting, a member of the NC shall be nominated as Chairman for the meeting. The nominated Chairman shall be an Independent Non-Executive Director.
- 6.3. The Secretary shall on the requisition of the members of the NC summon a meeting of the NC except in the case of an emergency, reasonable notice of every NC meeting shall be given in writing.

## **7. Quorum**

- 7.1. The quorum for the NC meeting shall consist of at least two (2) members provided always that the person chairing the NC meeting shall be an Independent Non-Executive Director.

## **8. Circular Resolution**

- 8.1. A resolution in writing signed or approved by letter, telex, telefax or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as "Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one or more directors.

## **9. Amendments, Variation or Modification**

- 9.1. The Terms of Reference of the NC shall be reviewed on annual basis and may be amended, varied and modified in writing as and when necessary subject to the Board's approval.