



## **1. COMPOSITION**

The composition of the Nomination Committee (“**NC**” or “**Committee**”) of Sik Cheong Berhad (“**Sik Cheong**” or the “**Company**”) shall be appointed by the Board of Directors of the Company (“**Board**”) from among its members and shall comprise no fewer than three (3) members, all of whom must be Non-Executive Directors and a majority of whom must be Independent Non-Executive Directors. No alternate director shall be appointed as a member of the Committee.

The chairman of the Board must not be a member of the NC.

The Board may from time to time and at its absolute discretion, revise the composition, roles, and responsibilities of the Committee.

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

## **2. CHAIRMAN**

The Committee shall elect a chairman from amongst its members (“**Chairman**”) who shall be an Independent Non-Executive Director and the elected Chairman of the Committee shall be approved by the Board.

The Chairman of the Committee shall:

- i. lead the succession planning and appointment of directors, and oversee the development of a diverse pipeline for board and management succession, including the future chairman, the Managing Director and the Executive Director; and
- ii. lead the annual review of board effectiveness, ensuring that the performance of each individual director and chairman of the Board are independently assessed.

All members of the Committee, including the Chairman, shall hold office only for so long as they serve as a Director of the Company. Members of the Committee may relinquish their membership in the Committee with prior written notice to the Board.

If the elected Chairman is not able to attend the Committee meeting, the other members of the Committee shall amongst themselves elect a chairman who must be an Independent Non-Executive Director to chair the meeting.

## **3. MEETINGS**

### **i. Meetings**

The Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at his discretion.

The Secretary(ies) shall, on the requisition of the members of the Committee, summon a meeting of the Committee.

If any issues requiring the Committee’s decision arise between meetings, such issues shall be resolved through written resolution of the Committee. A written resolution in writing signed or approved by a majority of the members of the Committee entitled to vote and sign on the resolution, if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Committee member shall be as valid and effectual as if it were a resolution duly passed at a NC meeting. Any such resolution may consist of several documents in like form, each signed by one (1) or more Committee members.



For the Committee's meetings (except in the case of an emergency), reasonable notice shall be given in writing to all the members of the Committee.

Unless otherwise agreed, notice of each meeting containing the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, no later than five (5) working days, or shorter notice where it is unavoidable before the date of the meeting.

A matter put to vote at the NC meetings shall be decided by a simple majority of the votes, each member of the NC having one (1) vote. In the case of an equality of votes, where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue, shall not have a casting vote. Otherwise in the case of an equality of votes, the Chairman has a second or casting vote.

A member of the NC who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall abstain from deliberating and voting.

The members of the Committee may participate in a meeting by means of conference telephone, conference videophone or any other audio visual or other communications equipment which allows all persons participating in the meeting to hear and speak with each other. Participation in a meeting in the aforesaid manner shall constitute presence in person at such meeting and shall be entitled to vote and be counted in a quorum accordingly.

Other Board members and senior management may be invited to attend the Committee meetings.

**ii. Quorum**

A minimum of two (2) members present shall form the quorum, the majority of members present must be Independent Non-Executive Directors.

**iii. Secretary of the Committee**

The Company Secretary(ies) shall be the secretary of the Committee. The Secretary(ies) shall issue and circulate the notice and minutes of the Committee to all members of the Committee.

**iv. Minutes of the Committee Meeting**

Every meeting of the Committee shall be minuted either by the Company Secretary(ies) or Assistant Company Secretary or any other person approved by the Committee and such minutes shall be confirmed by the Committee at the next succeeding Committee meeting.

The Minutes of each meeting shall be signed by the Chairman of that meeting or by the Chairman of the next succeeding meeting and shall be evidence of the proceedings that the meeting was duly convened and held.

Minutes of each meeting shall be kept at the Registered Office of the Company and distributed to each member of the Committee and also to the other members of the Board.



#### **4. FUNCTIONS OF THE COMMITTEE**

The functions of the Committee are as follows:

- i. The Committee is responsible for reviewing, assessing and recommending suitable candidates for appointment as Directors of the Company, as well as retiring Directors seeking re-election at the annual general meeting. When making recommendations to the Board regarding directorship or re-election, the Committee must consider the "Fit and Proper Criteria" outlined in the Directors' Fit and Proper Policy. These criteria include, but are not limited to:
  - a. diversity in skills, knowledge, expertise, experience, age, cultural background and gender;
  - b. competence and professionalism;
  - c. character and integrity;
  - d. time and commitment;
  - e. any business interest or relationship that may result in a conflict of interest that could affect the execution of the role;
  - f. in the case of candidates for the position of Independent Director, the Committee shall also evaluate the ability of the candidate to discharge such responsibilities / functions as expected from an Independent Director; and
  - g. in the case of candidates filling seats in respect of the Audit and Risk Management Committee in particular, to ensure the candidate is financially literate and possesses a wide range of necessary skills to discharge his/her duties.
- ii. The Committee may seek independent sources to identify qualified candidates for the Board. The Committee is responsible for appointing a gender-diverse Board.
- iii. To evaluate the necessary mix of skills, experience, core competencies, and diversity (including age, cultural background and gender) of the Board and its committees. The Committee will assess the contribution and performance of each Director to ensure the Board and its committees operate effectively and efficiently.
- iv. To review the size, structure, balance, and composition of the Board and its committees to ensure optimal performance and make recommendations to the Board for the creation of additional committees or the change in mandate or dissolution of committees.
- v. To identify and review the core competence, skills and other qualities including the skills, knowledge, experience and diversity required by each of the Non-Executive Directors, that are essential to contribute towards the effectiveness and balance of the Board.
- vi. To review and evaluate the contributions made by each member of the Board. The evaluation will consider their experience, knowledge, credibility and credentials; and assess their effectiveness in fulfilling their duties as members of the Board. All assessments and evaluations conducted by the Committee in the course of its duties must be properly documented.
- vii. To assess each Director's ability to contribute to the Board's decision making process and ensure that the Board operates actively, efficiently and effectively in all its decision making.



- viii. To conduct an annual review of the term of office and performance of the Audit and Risk Management Committee and each of its members. The review will assess whether the Committee and its members have fulfilled their duties in accordance with their terms of reference.
- ix. To evaluate annually the effectiveness of the Board and its committees as a whole in terms of decision making process.
- x. To review and assess annually the independence of the Independent Non-Executive Directors of the Company.
- xi. To develop and review criteria for the annual assessment of the Board, Board Committees, individual Directors and independence of the Independent Directors.
- xii. To review, consider and make recommendations regarding the continuation in office of Independent Non-Executive Directors who have served for more than 9 years. The assessment will take into account their performance and ability to contribute to the Board in light of the necessary knowledge, skills and experience
- xiii. To oversee the development of succession planning of the Board and senior management of the Company.
- xiv. To assess and recommend the re-election of Directors who are due to retire in accordance with the Company's Constitution. The recommendation will be based on the Director's performance, contributions to the Board and compliance with the Company's policies and procedures.
- xv. To remain updated and fully informed about strategic issues and commercial changes that impact the Company and the market in which it operates.
- xvi. To act in line with the directions of the Board.
- xvii. To review the fulfilment of Directors' training for each financial year and disclose details in the annual report as appropriate.
- xviii. To review with the Managing Director and the Executive Director, their goals and objectives and to assess their performance against these objective as well as their contribution to the corporate strategy.
- xix. To carry out such other functions or assignments as may be delegated by the Board from time to time.

## **5. ADVISER**

The Committee is authorised by the Board to seek appropriate professional advice, both internally and externally, at the Company's expense, whenever it deems necessary.

## **6. REPORTING RESPONSIBILITIES**

- i. The Chairman shall report to the Board on its proceedings after each meeting on all matters within the scope of its duties and responsibilities.
- ii. The Committee shall make whatever recommendations to the Board it deems appropriate, on any area within its terms of reference and/or where action or improvement is needed.
- iii. The Committee shall regularly report to the Board on its activities based on this Terms of Reference.



**7. GENERAL MEETINGS**

The Chairman shall attend general meetings of the Company to respond to any queries or concerns regarding the Committee's functions and responsibilities and provide updates on its activities.

**8. REVIEW OF THE TERMS OF REFERENCE**

The Committee is responsible for periodically reviewing this Terms of Reference and recommending any necessary changes to ensure its continued relevance and viability. Such changes may be necessary in response to updates to the Malaysian Code on Corporate Governance, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, or other regulatory requirements.

This Terms of Reference should also be reviewed and updated if there are changes to the Company's direction or strategies that could impact the Committee's role and ability to meet its objectives. Any recommended changes will be submitted to the Board for approval. This Terms of Reference must be made available on the Company's website.

This Terms of Reference (Version No. 1) was reviewed and adopted by the Board on 28 December 2023.