

TERMS OF REFERENCE OF NOMINATION COMMITTEE

POH HUAT RESOURCES HOLDING BERHAD (“THE COMPANY”) TERMS OF REFERENCE NOMINATION COMMITTEE (THE “COMMITTEE”)

The terms of reference of the Committee are as follows:-

1. OBJECTIVES

- 1.1. The Committee is primarily responsible for the identification of the desired mix of expertise, competencies and experiences for an effective Board and the assessment of the performance of the members of the Board.
- 1.2. As and when the need arises, this committee shall also identify and recommend the appointment of candidates with the necessary qualities to strengthen the Board.

2. MEMBERSHIP

- 2.1. The Committee shall comprise at least two directors. A majority of the members of the Committee shall be independent non-executive directors.
- 2.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as representatives of the Manager and/or Company Secretary may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 2.3. The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the Chairmanship.

3. SECRETARY

- 3.1. The Company Secretary of the Board, or his or her nominee, shall act as the Secretary of the Committee.

4. QUORUM

- 4.1. The quorum necessary for the transaction of business shall be two, both of whom must be independent non-executive directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. FREQUENCY OF MEETINGS

- 5.1. The Committee shall meet at least once a year and otherwise as required.

6. NOTICE OF MEETINGS

- 6.1. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive Directors, no later than four working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

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7. MINUTES OF MEETINGS

- 7.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so.

8. ANNUAL GENERAL MEETING

- 8.1. The Committee Chairman should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

9. DUTIES & RESPONSIBILITIES

The duties and responsibilities of the Committee are as follows:

- 9.1. Identify the desired mix of expertise, competencies and experiences for an effective Board regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.
- 9.2. Identify and nominate for the approval of the Board, candidates to fill Board vacancies or strengthen the Board's composition as and when they arise. Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment.
- 9.3. In identifying suitable candidates the Committee shall:-
 - consider open advertising or the services of external advisers to facilitate the search;
 - consider candidates from a wide range of backgrounds; and
 - consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position.
- 9.4. Prior to the appointment of a Director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest.
- 9.5. Undertake annual assessment of the performance of the Board as a whole and the contribution of each Director and the review the results of these assessments. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties.
- 9.6. Recommend training programmes to facilitate the Directors in the discharge of their duties and to keep abreast with industry developments and trends.
- 9.7. Give full consideration to succession planning for Directors and Senior Management 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.
- 9.8. Review the leadership needs of the Company with a view to ensuring the continued ability of the Company to compete effectively in the marketplace.

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- 9.9. Review the membership and chairmanship of the Audit Committees, and any other Board Committees as appropriate, in consultation with the chairmen of those Committees.
- 9.10. Review and recommend the re-election by shareholders of Directors under the re-election provisions of the Code or the retirement by rotation provisions in the Company's Charter, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board.
- 9.11. Assess the independence of independent directors and any matters relating to the continuation in office of independent directors.

10. REPORTING RESPONSIBILITIES

- 10.1. The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3. The Committee shall produce a report to be included in the Company's Annual Report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

11. OTHER MATTERS

The Committee shall:-

- have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required.
- be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- give due consideration to laws and regulations, the provisions of the Code and Bursa Securities Listing Requirements and any other applicable rules, as appropriate.
- arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

12. AUTHORITY

- 12.1. The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

13. REVIEW OF THE TERMS OF REFERENCE

- 13.1. The Committee shall review and assess the adequacy of this Terms of Reference on a periodic basis or as and when necessary. Any proposed changes to the Terms of Reference shall be approved by the Board.

14. APPROVAL

- 14.1. The Terms of Reference was revised and approved by the Board on 12 December 2018.