

**RESINTECH BERHAD** (341662-X)  
**NOMINATION COMMITTEE**  
**– TERMS OF REFERENCE**

The terms of reference are as follows:

**COMPOSITION**

The Nomination Committee shall be appointed from amongst the Board and shall:-

- (i) comprise no fewer than two (2) members; and
- (ii) comprise exclusively non-executive directors, a majority of whom are independent.

**PURPOSE**

- 1. Ensure a formal and transparent procedure for the appointment of new directors to the Board.
- 2. Recommend to the Board, candidates for all directorships and on board committees.
- 3. Select, compensate, monitor and oversee succession planning.

**RIGHTS**

- 1. The Nomination Committee shall:
  - (a) have the resources which are required to perform its duties;
  - (b) have full and unrestricted access to all information and documents within the Group to perform its duties;
  - (c) have the right to obtain independent professional or other advice at the Company's expense;
  - (d) have the right to invite any employees of the Group to attend Nomination Committee meetings and to brief the Committee Members on matters being deliberated;
  - (e) meet as and when required on a reasonable notice and have the right to regulate its own procedure on the calling of meeting;
  - (f) have the right to pass resolutions by a simple majority vote from the Committee Members and that the Chairman shall have the casting vote should a tie arise; and
  - (g) have the right to provide recommendations to the Board for consideration and approval.

**DUTIES AND RESPONSIBILITIES**

The main functions and duties of the Nomination Committee shall include, but are not limited to the following:

New Appointment

- 1. To consider, review and recommend the appointment of potential candidates to the Board proposed by Management or any Director or shareholder taking into consideration the candidates' skills, knowledge, expertise and experience, time, commitment, character, professionalism and integrity.
- 2. Before any appointment by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and the current and future needs and size of the Company in identifying suitable candidates, the Nomination Committee may:-

- a. Use the services of external advisors to facilitate the search from diverse pools;
  - b. Consider candidates from a wide range of backgrounds;
  - c. Consider candidates on merit and against objective criteria with due regard for diversity including gender, ethnicity and age, and appointees time commitment, skill and experience; and
  - d. Request to consider the disclosure of any business interests that may result in a conflict of interest.
3. To recommend to the Board, candidates to fill the seats on the Board Committees in consultations with the chairmen of those committee. In the event that the Chairman's position is to be filled, to consult with the Board.
  4. To consider and recommend to the Board the candidates for Chief Executive Officer ("CEO") and Chief Financial Officer, taking into consideration the candidates' skills, knowledge, expertise and experience, time, commitment, character, professionalism, integrity and diversity on senior management.

#### Re-election, Reappointment and Resignation/Termination

5. To recommend to the Board, candidates for re-election of Directors by shareholders under the annual re-election provisions of retirement with due consideration to the extent to which interplay of the Director's expertise, skills, knowledge and experience with those of other Board members, as well as their roles as committee members. Attention should be given to Independent Directors who are retained beyond nine (9) years as the Board has to provide strong justification in exceptional circumstances and seek shareholders' approval. In obtaining the shareholders' approval, the Nomination Committee should conduct an assessment of the Independent Director and recommend to the Board whether the Independent Director should remain independent or be re-designated.
6. Matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of the law and their service contract.
7. The re-appointment of any Non-Executive Director at the conclusion of his term of office having given due regard to his performance and ability to continue to contribute to the Board in terms of knowledge, skills and experience requested.

#### Succession Planning

8. To understand the current performance, competencies and potential of those in key positions in senior management in order to identify and develop plans for those key talents.
9. To make recommendations to the Board concerning the succession plans for both Executive and Non-Executive Directors and in particular for the Chairman and the CEO and the re-appointment of any Non-Executive Director at the conclusion of his or her specified term of office.
10. To establish a clear succession plan for senior management, giving full consideration to succession planning 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 and by the Company in future. In terms of senior management, the Committee may request from time to time detailed views (either in the form of a report or otherwise) and work together with the CEO and/or senior management of the Company to:-

- a. identify expected critical position vacancies and determine any future critical positions; and
- b. identify gaps in current employees and develop individual development plans, coaching and monitoring programmes.

#### Annual Performance Assessment of Board, Board Committee, Individual Directors and CEO

11. To annually review the required mix of skills, experience, diversity and other qualities including core competencies and effectiveness of the Board, as a whole, the Board Committees and the contribution of each individual director. All evaluation carried out by the Committee in the discharged of its function should be documented.
12. To annually review the time required of Non-Executive and Independent Directors. Performance assessments should be undertaken to assess whether the Directors are spending enough time to fulfil their duties.
13. To annually review the independence of the Independent Director and recommend to the Board whether the Independent Director(s) who has (have) exceeding the cumulative term of nine (9) years should remain independent or be re-designated.
14. To annually review the performance of the CEO.
15. To annually review the term of office of the Audit Committee ("AC") and each of its members to determine whether the AC has carried out their duties in accordance with their terms of reference.

#### Continuous Education / Development

16. To identify suitable orientation, educational and training programmes for continuous development of Directors and ensure all Directors receive appropriate continuous trainings programme in order to keep abreast with developments in the industry and with changes in the relevant statutory and regulatory requirements.
17. To assess the AC members' knowledge on financial literacy.

#### Size of Board and Independent Directors

18. To assess the desirable balance in Board membership by reviewing the size, structure and composition of the Board, taking into consideration the number of directorships.
19. To assess desirable number of Independent Directors.
20. To consider the representation of interest group as part of boardroom diversity and to set up a policy on board composition. Factors to consider may include gender, race, religion, nationality, professional background and culture.

In developing its procedures and making recommendations to the Board, the Nomination Committee will take into account of:-

- (a) the provisions of the Company's Constitution, the Companies Act, 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other laws and regulations, if any, in respect of the appointment, removal, etc of directors;

- (b) the need for the Board to operate an open and transparent appointment process. This may include public advertisement or direct approaches being made to individuals who may be suitable or organisations that may be able to advise;
- (c) the overall composition and balance of the Board.
- (d) Board Diversity Policy, 'Fit and Proper' Standards/Criteria for Directors and Senior Management Staff and Succession Planning Policy.

## **MEETINGS**

1. The Nomination Committee shall meet as required, and report to the Board of Directors after each meeting.
2. The quorum for a meeting shall be two (2) members. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.
3. The Nomination Committee may request other Directors, members of Management and consultants as applicable to participate in the Nomination Committee meetings, as necessary, to carry out the Nomination Committee's responsibilities.

## **TERMS OF REFERENCE**

The terms of reference should be assessed, reviewed and updated at least once every three years by the Nomination Committee or as and when there are changes to the Malaysian Code on Corporate 2017 and the Main Market Listing Requirements.

The Nomination Committee should recommend any change to the terms of reference to the Board for approval.

This Term of Reference was reviewed and approved on 31 May 2018.