



**SIGNATURE INTERNATIONAL BERHAD**  
**REGISTRATION NO. 200601034359 (754118-K)**  
**TERMS OF REFERENCE FOR NOMINATION COMMITTEE**

**1. Composition**

The Nomination Committee (“NC”) members shall be appointed by the Board from among the Directors of the Company and shall comprise exclusively Non-Executive Directors with a majority of whom are Independent Directors.

The NC shall consist of at least three (3) members.

In the event of any vacancy in the NC resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months fill the vacancy.

**2. Quorum**

The quorum for a meeting of the NC shall be at least two (2) members, a majority of whom shall be Independent Directors.

**3. Chairman**

The Chairman of the NC shall be an Independent Non-Executive Director or Senior Independent Non-Executive Director identified by the Board.

In the absence of the Chairman during the meeting, the remaining members present shall elect one of the members who must be an Independent Director as Chairman of the meeting.

**4. Secretary**

The Company Secretary or his/her representative or other appropriate senior officer shall act as Secretary of the NC and shall be responsible, amongst others, drawing up meeting agendas in consultation with the NC Chairman, in attendance of each NC meeting and responsible for keeping the minutes of meetings of the NC, and circulating them to the NC and others members of the Board.

**5. Meetings and Minutes**

- a) The NC shall meet at least annually or as and when there are matters referred to them for consideration or a member may at any time and the Secretary shall on the requisition of a member, summon a meeting of the NC. The Secretary, in conjunction with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers within a reasonable period prior to each meeting to the members of the NC.

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- b) The NC members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- c) If issues shall be resolved through circular resolution, a circular resolution in writing, stating the reason(s) to arrive at a recommendation or resolution, signed by ALL members for the time being entitled to receive notice of and to attend a NC meeting shall be as valid and effective as if it had been passed at a meeting duly convened and constituted. Any such document, may be accepted as sufficiently signed by a NC member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written message purporting to include a signature of a NC member.
- d) Minutes of each meeting shall be circulated to NC members and presented to the Board. The minutes shall be kept at the registered office of the Company under the custody of the Secretary of the Company and shall be open for inspection by the Board. Any request by Management or other persons to inspect the minutes shall be subject to the approval of the Committee.
- e) Issues discussed and actions recommended by the NC shall be presented and reported to the Board for decision.
- f) The Group Managing Director, Group Executive Director and other management personnel, external professional advisers or whoever deemed necessary may be present in any meeting upon the invitation of the NC.

## **6. Functions**

The NC shall discharge the following duties and responsibilities and report the same to the Board:-

- a) to develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors. The nomination and the election process should be disclosed in the Annual Report;
- b) to assess and recommend to the Board, candidates for all directorships. In making the recommendations, the NC should also consider candidates proposed by the Group Managing Director and/or Group Executive Director, and within the bounds of practicability, by any other senior executive, Director or shareholder. The NC shall also utilise independent services to identify suitably qualified candidates. In making its recommendations, the NC shall assess and consider the following attributes or factors:-
  - i) skills, knowledge, expertise and experience;
  - ii) professionalism;
  - iii) commitment (including time commitment) to effectively discharge his/her role as a Director;

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- iv) merit and against objective criteria with due regard for boardroom diversity including gender, age and ethnicity, cultural background, character, integrity, and competence;
- v) in the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-executive Directors; and
- vi) in considering independence, it is necessary to focus not only a Director's background and current activities qualify him or her as independent but also whether the Director can act independently of management;

The NC may, with the assistance of the Human Resource Department and/or Management to conduct a proper due diligence on the candidates such as a search through relevant database, financial check, conflict of interest and criminal background check other than the self-declaration from the candidates.

- c) to recommend to the Board the appointment of the Chairman, Group Managing Director, Group Executive Director, Senior Independent Director and Board Committees, including an assessment of the time commitment expected and recognising the need for availability in the event of crises;
- d) to issue on behalf of the Board a letter of appointment to new Director;
- e) to conduct annual performance appraisal on the Board as a whole, the Board Committees and contribution of each individual Director including time commitment, experience and integrity vide a formal and objective assessment. All assessments and evaluations carried out by the NC shall be properly documented. This activity shall be disclosed in the Annual Report of the Company;
- f) to assess annually the independence of its Independent Directors. This activity shall be disclosed in the Annual Report of the Company and in any notice of a general meeting for the appointment and re-appointment of Independent Directors;
- g) to identify the training needs of each Director, review the fulfillment of such training and disclose details in the Annual Report;
- h) to review the Board and Senior Management's succession plans;
- i) to facilitate Board induction for newly appointed Directors and training programmes;
- j) to report the activities of NC in the Annual Report;
- k) to review the boardroom diversity and recommend to the Board the Company's gender diversity policies, targets and discuss measures to be taken to meet those targets;
- l) to review annually the required mix of skills, experience and other qualities of the Board, including core competencies which Non-Executive Directors should bring to the Board. This activity shall be disclosed in the Annual Report of the Company;
- m) to develop the criteria to assess independence of Independent Director annually and when any new interest or relationship develops;

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- n) to examine and review the Board structure, size and composition and recommend to the Board on the optimum number of directors on the Board to ensure its effectiveness and to comply with regulatory requirements;
- o) to recommend to the Board the Director(s) for re-election/re-appointment at each Annual General Meeting;
- p) to recommend to the Board the protocol for accepting new directorships;
- q) consider and recommend the Independent Directors beyond nine (9) years to retain in office, having due regard to their performance and ability to continue to the Board in the light of knowledge, skills and experience required;
- r) to assess the term of office and performance of the Audit and Risk Management Committee and each of its members annually to determine whether the Audit and Risk Management Committee and its members have carried out their duties in accordance with its Terms of Reference; and
- s) to review and report such other matters as may be delegated by the Board from time to time.

**7. Annual General Meeting**

The Chairman of the NC should attend the Annual General Meeting to answer any shareholder questions on the NC's activities.

**8. Reporting Responsibilities**

The Chairman of the NC shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The NC shall make whatever recommendation to the Board it deems appropriate or any area within its remit where action or improvement is needed.

The NC shall produce a report to be included in the Company's Annual Report about its activities in the discharge of its duties and the process used to make appointments and explain if external advice or open advertising has not been used.

**9. Access to Advice**

The NC is authorised, subject to the approval of the Board, to seek independent professional advice, at the expense of the Company, in carrying out its duties, if required.

**10. Revision of the Terms of Reference**

- This Terms of Reference shall be reviewed periodically by the NC.
- Any revision or amendment to this Terms of Reference, as proposed by the NC or any third party, shall first be presented to the Board for its approval.
- Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

**11. Approval**

This Terms of Reference is reviewed and approved by the Board of Directors on 28 May 2018 and updated on 18 May 2020.