

**TURBO-MECH BERHAD**  
**(Company No. 863263-D)**

**TERMS OF REFERENCE OF NOMINATION COMMITTEE**

**1. OBJECTIVE**

The principal objective of the Nomination Committee (“the Committee”) is to assist the Board of Directors in its responsibilities in nominating new nominees to the Board of Directors. The Committee shall also assess the directors of the Company on an on-going basis.

**2. COMPOSITION OF NOMINATION COMMITTEE**

The Committee shall be appointed by the Board of Directors (“the Board”) from amongst the Directors of the Company and shall comprise exclusively of non-executive Directors, majority of whom are Independent Directors.

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

**3. QUORUM**

Two (2) members shall form a quorum for meetings.

**4. CHAIRMAN**

The members of the Committee shall elect a Chairman from among their members who shall be a Senior Independent Non-Executive Director. In the absence of the Chairman of the Committee, the remaining members present shall elect one of their members as Chairman of the meeting.

**5. SECRETARY**

The Secretary to the Committee shall be the Company Secretary.

**6. MEETINGS AND MINUTES**

- a) The Committee shall meet at least once a year or at such other times as the Chairman of the Committee deemed necessary. The Committee may conduct its meeting to include participation thereat by any member or invitee via video or teleconferencing or any other means of audio or audio – visual communications.

- b) Minutes of each meeting shall be distributed to each member of the Board and the Secretary to the Committee shall keep the minutes of the meetings.
- c) Question arising shall be decided by a majority of votes. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote provided that where two (2) members form a quorum, the Chairman of the 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.
- d) A resolution in writing, signed by a majority of the members of the Committee, shall be as valid and effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.

## **7. FUNCTIONS**

- a) To review regularly the Board structure, size and composition and make recommendations to the Board with regard to the adjustments that are deemed necessary.
- b) To review and recommend new nominees for appointment to the Board and to review the Board's policies and procedures for selection of Board Members. In making its recommendations, the Committee shall consider the following:-
  - skills, knowledge, expertise and experience;
  - professionalism;
  - commitment (including time commitment) to effectively discharge his/her role as a Director;
  - contribution and performance;
  - background, character, competence and integrity;
  - boardroom diversity including gender, age, experience and ethnicity diversity;
  - any business interest that may result in a conflict of interest; and
  - in the case of candidates for the position of independent non-executive directors, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/function as are expected from independent non-executive directors.
- c) To assess Directors on an on-going basis, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director including his/her time commitment to effectively discharge his/her role as a director, character, experience and integrity.

- d) To recommend to the Board the Directors to fill the seats on the Board Committees.
- e) To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors. The nomination and election process should be disclosed in the Annual Report.
- f) To assess the training needs of each Director, review the fulfillment of such training and to disclose details in the Annual Report as appropriate.
- g) To review annually the Board's mix of skills and experience and other qualities including core competencies which non-executive Directors should bring to the Board. This should be disclosed in the Annual Report.
- h) To recommend to the Board for continuation (or not) in service of executive Director(s) and Directors who are due for retirement by rotation.
- i) To orientate and educate new Directors as to the nature of the business, current issues within the Company and the corporate strategy, the expectations of the Company concerning input from the Directors and the general responsibilities of Directors.
- j) To review the character, experience, integrity, competence and time to effectively discharge the roles of chief executive and chief financial officer.
- k) 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.
- l) To review, at least once a year, its own performance, 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.
- m) To review and make recommendations to the Board on the succession plan for key positions in the Group to ensure continuity in senior management.
- n) To assess annually the term of office and performance of the Audit Committee and each of its members to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

The Committee is authorised by the Board to seek professional advice inside and outside the Group at the Company's expense, as and when it considers this necessary in the discharge of its responsibilities.

**8. REPORTING PROCEDURE**

- a) The actual decision as to who shall be appointed to the Board shall be the responsibility of the Board after considering the recommendation of the Committee.
- b) Reporting to the Board from time to time its recommendations for consideration and implementation.

**9. REVISION OF THE TERMS OF REFERENCE**

This Terms of Reference shall be reviewed regularly.

Any revisions or amendments to this Terms of Reference, as proposed by the Nomination Committee or any third party, shall be presented to the Board for approval;

Upon the Board's approval, the said revisions or amendments shall form part of this Term of Reference and this Term of Reference shall be considered duly revised or amended.

A copy of this Terms of Reference should be uploaded on the Company's website.

Date:

Amended pursuant to the Board's approval on 22 August 2016.