

**TERMS OF REFERENCE OF NOMINATION COMMITTEE**

**1. DEFINITION:**

- “Committee” : The Nomination Committee of the Company.
- “Company” : BWYS Group Berhad and by whatever name from time to time called.
- “Board” or “Directors” : The Directors for the time being of the Company or such number of them as have authority to act for the Company.
- “Group” : The Company and its subsidiaries (BW Yee Seng Steel Industries Sdn. Bhd., BW Yee Seng (Timur) Sdn. Bhd., BW Scaffold Industries Sdn. Bhd., YS Global Industries Sdn. Bhd., YS Success Industries Sdn. Bhd. and BWYS Sdn. Bhd. (Formerly known as YHTJ Services Sdn. Bhd.))
- “MD” : Managing Director of the Company.
- “Listing Requirements” : The ACE Market Listing Requirements or Main Market Listing Requirements (where applicable) of the Exchange including any amendment that may be made from time to time.
- “Secretary” : Any person or persons jointly appointed to perform the duties of a secretary of the Company including any person(s) appointed temporarily and any representative of the secretary.

**2. Date Established**

The Committee was established on 21 August 2023.

**3. Objectives**

The principal objectives of the Committee are to assist the Board in their responsibilities in nominating new nominees to the Board and to assess the performance of the Board, the Committees of the Board and the Directors of the Company on an on-going basis.

- (a) ensure the Board is effective with an appropriate mix of skills, knowledge and experience to discharge its responsibilities and duties in meeting the Company’s mission, vision, culture and values;
- (b) ensure an appropriate framework and succession plan in place to achieve a diverse talent pipeline for the Board and senior management;
- (c) ensure the appointments of Board members and senior management are based on objective criteria such as diversity in skills, experience, expertise, professionalism, integrity, age, gender and background; and
- (d) ensure the composition of the Board is refreshed periodically, taking into account the length of service of the Board as a whole so that it is effective and able to operate in the best interests of shareholders

#### **4. Composition**

The Board shall elect the Committee members from amongst themselves and it must be composed of no fewer than three (3) members consisting wholly of non-executive Directors, a majority of whom are independent.

The term of office and performance of the Committee and each of its members shall be reviewed by the Board annually to determine whether its members have carried out their duties in accordance with their terms of reference.

The Committee shall be chaired by an Independent Director or the Senior Independent Director who shall be responsible for the conduct of the meetings.

The Chairman of the Board must not be a member of the Committee.

No alternate Director shall be appointed as a member of the Committee.

#### **5. Retirement and Resignation**

In the event of any vacancy with the result that the number of members of the Committee is reduced to below three (3), the vacancy shall be filled within three (3) months thereof.

#### **6. Chairman**

The Chairman of the Committee shall be elected from amongst the Committee members whom shall be an Independent Non-Executive Director or the Senior Independent Non-Executive Director identified by the Board.

In the absence of the Chairman, the members can elect from amongst themselves the Chairman who must be an Independent Non-Executive Director for the Committee meeting.

The Chairman of the Committee shall attend the Annual General Meeting of the Company and is answerable to any shareholder questions on the Committee's activities.

#### **7. Secretary**

The Secretariat of the Committee shall be the Company Secretary of the Company and shall be responsible, in consultation with the Chairman, for drawing up the agenda and circulating it at least five (5) days prior to each meeting.

#### **8. 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 the Chairman's discretion.

The Secretary shall on the requisition of the members of the Committee summon a meeting of the Committee and except in the case of an emergency, reasonable notice of every Committee meeting shall be given in writing and sent through the post, facsimile, electronic mail and by any means of telecommunication in permanent written form to all Committee members.

The Chairman of the Committee shall chair the Committee meetings and, in his absence, the members present shall elect among themselves, a Chairman for the meeting.

Other Board members and/or employees may attend the Committee meeting upon invitation of the Committee.

Each member of the Committee is entitled to one (1) vote in deciding the matters deliberated in the meeting.

The decision that gained the majority votes shall be the decision of the Committee. In the event of an equality of votes, the Chairman of the Committee shall be entitled to a second or casting vote. The Chairman shall not have a casting vote when only two (2) members (one of whom is the Chairman) form a quorum or when only two (2) members are competent to vote on the question at issue.

Member of committee may participate in a meeting by means of conference telephone, conference videotape 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.

Questions arising at any meeting of the Committee shall be decided by a majority of votes and a determination by a majority of members shall for all purposes be deemed a determination of the Committee.

Any member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting must declare his/her interest in the matters and shall abstain from deliberating and voting on the said matter.

## **9. Minutes**

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Committee and also to the other members of the Board. The Committee Chairman shall report on the proceeding of each meeting to the Board.

The minutes of the Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

The Committee members may inspect the minutes of the Committee at the Registered Office or such other place as may be determined by the Committee.

## **10. Quorum**

A quorum shall consist of two (2) members.

## **11. Reporting**

The Committee shall report to the Board, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least once a year, but more frequently if it so wishes.

The Committee shall report to the Board on any specific matters referred to it by the Board.

The Company Secretary shall circulate the minutes of the Committee to all members of the Board.

## **12. Authority**

The Committee, in accordance with a procedure or process to be determined by the Board and at the expense of the Company:

- (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; and
- (c) Shall annually review the required mix of skills and experience and other qualities, including core competencies, which non-executive and executive Directors should have.
- (d) Shall assess on an annual basis, the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual Director.
- (e) Select, engage and obtain, at the cost of the Company, professional advice, if needed, to enable the Committee to carry out its duties.

- (f) Shall be entitled to the services of a company secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Listing Requirements of Bursa Securities or other regulatory requirements.

### 13. Responsibilities and Duties

The responsibilities and duties of the Committee are as follows:

- To develop, maintain and review the criteria to be used in the recruitment of Director and senior management.
- To formulate, maintain and review the re-appointment and re-election process of Directors having due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required.
- To formulate Fit and Proper Policy and to ensure that all Directors fulfil the fit and proper criteria and for conducting assessments of the fitness and properness of candidates to be appointed onto the Board and Directors who are seeking for re-election.
- To assess and recommend to the Board, candidates for all directorships to be filled by the Shareholders or the Board. In making the recommendations, the Committee will also consider candidates proposed by the MD, and within the bounds of practicability, by any other senior management, Director or shareholder.
- In making its recommendations, the Committee should consider the following attributes of the candidates or factors:
  - (a) technical competency, skills, knowledge, expertise and experience;
  - (b) strong sense of professionalism;
  - (c) background, character, integrity and competence;
  - (d) contribution and performance;
  - (e) other commitments and time available to contribute inputs to the Board;
  - (f) in the case of candidates for the position of independent non-executive Directors, the Committee should evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive Directors; and
  - (g) boardroom diversity including gender (at least 30% women directors), age and ethnicity diversity.

If the selection of candidates was solely based on recommendations made by existing board members, management or major shareholders, the Committee should explain why other sources were not used.

- To recommend to the Board the nominees to fill the seats on Board's Committees.
- To review Board and Senior Management succession plans and make recommendations to the Board on succession planning policy for management.
- To lead the succession planning and appointment of board members, including the future Chairman and MD.
- To review the training needs/training programs for the Board and facilitate Board induction and training programs.
- To review annually, the term of office and performance of the Audit and Risk Management Committee and each of its members to determine whether the Audit and Risk Management Committee and members have carried out their duties in accordance with the terms of reference

- of the Audit and Risk Management Committee.
- To establish and recommend for board's approval a mechanism for formal assessment of the performance of the Board and senior management.
  - To implement annual assessment on the effectiveness and performance of the Board as a whole, the committees of the Board, as well as the contribution/performance, character, experience, integrity, competence and time to effectively discharge his/her role as a Director, including non-executive Directors and executive Directors. All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented together with the criteria used for such assessment.
  - To assess directors and key senior management on an ongoing basis, taking into account the performance of each individual in managing the Group's material sustainability risks and opportunities.
  - To assist the Board in assessing and evaluating circumstances where a Director's involvement outside the Group may give rise to a potential conflict of interest with the Group's businesses, upon receiving declaration of the same from the Director and, thereafter, to inform the Audit and Risk Management Committee of the same. After deliberation with the Audit and Risk Management Committee, to recommend to the Board the necessary actions to be taken in circumstances where there is a conflict of interest.
  - To examine the size of the Board with a view to determining the impact of the number upon its effectiveness.
  - To review the required mix of skills and experience and other qualities including core competencies which non-executive Directors should bring to the Board.
  - To develop the criteria to assess independence and to assess on an annual basis, the independence of the independent non-executive Directors and recommend the same to the Board.
  - To recommend the retention of its independent non-executive Directors whose terms have exceeded nine (9) years' tenure for continuance in the office, if deem fit. The Board, subject to the assessment of the Committee, shall provide justification and seek annual shareholders' approval at an Annual General Meeting through a two-tier voting process in accordance with Practice 5.3 of MCCG in the event it intends to retain an Independent Director, a person who has served in that capacity for a cumulative term of nine (9) years.
  - To review the tenure of each director and ensure that the annual re-election of a director is based on satisfactory evaluation of the director's performance and contribution to the Board, and the Director has submitted the Fit and Proper Declaration form.
  - To recommend the re-election of Directors who retired by rotation pursuant to the Company's Constitution.
  - To establish time commitment expectations/protocol for the members of the Board.
  - To review the attendance of the Directors at Board and/or Board Committee(s) Meetings.
  - To establish a policy formalising its approach to boardroom diversity.
  - To act in line with the directions of the Board.
  - To review with the Managing Director and the Executive Directors, their goals and objectives and to assess their performance against these objectives as well as their contribution to the corporate strategy.

- To ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.
- To consider and examine such other matters as the Committee considers appropriate including the activities of the Committee in the discharge of its duties for the financial year.

#### **14. Elected Members**

For information on the current members of the Nomination Committee, please refer to the *Corporate Information* section, under "*Investor Relations*" on the Company's corporate website at: <https://bwysgroup.com/>

#### **15. Nomination Committee Statement**

The Board shall review and disclose in the Company's Annual Report the statement on the activities of the Committee in the discharge of its duties for the financial year and such statement must include how the requirements set out in paragraph 2.20A of the Listing Requirements are met and contain the following information:

- (a) the policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the Company;
- (b) the board nomination and election process of Directors and criteria used by the Committee in the selection process; and
- (c) the assessment undertaken by the Committee in respect of its Board, committees and individual Directors together with the criteria used for such assessment."

#### **16. Circular Resolution**

A resolution in writing signed by a majority of the members of the Committee for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.

Any such resolution may consist of several documents in like form each signed by two (2) or more of the members of the Committee. Any such documents may be accepted as sufficiently signed by a Committee if transmitted to the Company by facsimile or electronic mail or digital written message to include as a signature of a member of the Committee.

#### **17. Appointment Process**

If a member of the Committee resigns, dies or for any reason ceases to be a member, the Board must fill the vacancy within three (3) months.

The Committee shall review the term of office and performance of the Committee and each of its members annually to determine whether the Committee and its members have carried out their duties in accordance with the Committee's terms of reference.

## **18. Review Of The Terms Of Reference**

The Committee shall recommend any changes to its terms of reference in such manner as the Committee deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code on Corporate Governance, the Listing Requirements or any other regulatory requirements. It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the Committee's role. This written term of reference will be made available on the Company's website.

This Terms of Reference was adopted by the Board on 21 August 2023.

**END**