

**TERMS OF REFERENCE
FOR THE
NOMINATION COMMITTEE**

1. Independence

- a) The Nomination Committee shall function independently of management.
- b) The Company strives for good corporate governance by ensuring that the process is carried out in an objective, transparent, thorough and fair manner.

2. Purpose

- a) The Company seeks to establish a formal and transparent procedure for the appointment of new directors to the board and key senior executives.
- b) This process includes reviewing the balance in composition of the Board between executive, non-executive and independent directors to minimise potential conflicts of interest.
- c) This process provides an assessment of the effectiveness of the board, identifying skills needed and those individuals whom might best provide them.

3. Composition of Committee

- a) The members of the Committee are appointed by the Board of Directors.
- b) The Nomination Committee shall comprise of at least 3 board members; majority of whom shall be non-executive and be independent of management and free from any business or other relationships which may materially interfere with the exercise of independent judgement.
- c) Alternate Directors shall not be appointed as a member of the Nomination Committee.
- d) The members of the Nomination Committee shall elect a chairman from amongst themselves who shall be an independent director.
- e) A member of the Committee shall abstain from participating in discussions and decisions on matters directly involving him or her to avoid conflict of interest.

4. Secretary

- a) The Company Secretary or their nominee shall act as the Secretary of the Committee.

5. Quorum

- a) The quorum necessary for the transaction of business shall be 2 of whom majority shall be non-executive members.
- b) 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 directions vested or exercisable by the Committee.

4. Frequency of Meetings

- a) The Committee shall meet not less than once a year and at such other times, as the Chairman of the Committee shall require.
- b) In the absence of a meeting, any issues shall be resolved through circular resolution.

5. Minutes of the Meetings

- a) The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- b) Minutes of committee meetings shall be circulated to each member of the Nomination Committee and to the Chairman of the Board and made available on request to other members of the Board.

6. Duties

- a) To establish and review the terms of conditions of employment of Executive Directors and senior executives of the Group.
- b) To identify and nominate for the approval of the Board, candidates to fill board vacancies as and when they arise.

Caely Holdings Bhd
Nomination Committee
Terms of Reference

- c) To review the required mix of skills, experience and other qualities, including core competencies, which non-executive Directors should bring to the Board;
- d) The Committee shall establish the minimum requirements for the board and the chief executive officer to perform their responsibilities effectively.
- e) The Committee shall establish a mechanism for formal assessment of :
 - the board's effectiveness as a whole;
 - the contribution by each director to the effectiveness of the board; and
 - the contribution of the board's various committees.
- f) The Committee shall oversee the appointment, management succession planning and performance evaluation of key senior officers, and recommending to the board their removal if they are ineffective, errant and negligent in discharging their responsibilities.
- g) The Committee shall ensure that all directors undergo appropriate induction programs and receive continuous training.
- h) The Committee shall make recommendations to the Board :
 - as regards plans for succession, in particular, of the Chairman, Chief Executive Officer and Chief Financial Officer;
 - as regards the re-appointment of any non-executive director at the conclusion of his or her specified term of office; and
 - concerning the re-election by the shareholders of any director under the "retirement by rotation" provisions in the company's articles of association.

7. Authority

- a) The Committee is authorised to seek any information it requires from any employee of the company in order to perform its duties.
- b) The Committee is not authorised to make any decisions but is obliged to report its recommendations to the full board for decision.