

MEGA SUN CITY HOLDINGS BERHAD
(200401002347)(640850-U)

TERMS OF REFERENCE OF NOMINATION COMMITTEE

1.0 MEMBERSHIP

- 1.1 The membership of the Nomination Committee (“the Committee”) shall comprise exclusively of Non-Executive Directors, with a majority of whom are independent, shall be appointed by the Board.
- 1.2 The Committee shall comprise no fewer than three (3) members.
- 1.3 Chairman of the Board should not be a member of the Committee.
- 1.4 The appointment of a Committee member shall automatically be terminated if the member ceases for any cause to be a director, or as determined by the Board of Directors.
- 1.5 The members of the Committee shall elect a Chairman from among themselves who shall be the independent director or senior independent director as identified by the Board. In the absence of the Chairman of the Committee, the members present shall elect one of their members, who shall be an Independent Non-Executive Director to chair the meeting.
- 1.6 In the event of any vacancy in the Committee resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months fill the vacancy.

2.0 ADVISERS

The Committee is authorised by the Board to seek appropriate professional advice inside and outside the Group as and when it considers this necessary after having obtained approval from the Chairman of the Board.

TERMS OF REFERENCE OF NOMINATION COMMITTEE (CONTINUED...)

3.0 DUTIES

The duties of the Committee shall be to:-

- 3.1 To recommend to the Board, candidates for directorship, Board Committee membership and senior management. In making the recommendations the Committee should consider candidates, proposed by the Managing Director, and within the bounds of practicability, by any other senior executive, director or shareholder or through independent sources engaged by the Board. The Committee should evaluate the candidates on the aspect of their:-
 - (i) skill, knowledge, expertise and experience;
 - (ii) professionalism;
 - (iii) commitment;
 - (iv) contribution and performance;
 - (v) character, integrity and competence;
 - (vi) policy on Board composition having regard to the Board's size, mix of skills, independence and boardroom diversity including gender diversity; and
 - (vii) for the position of Independent Non-Executive Director ("INED"), the Committee shall also evaluate the candidates' ability to discharge such responsibilities/ functions independently as expected from INED.
- 3.2 To assist the Board to meet at least one woman directors and also to ensure there is healthy talent pipeline in terms of women participation in senior management.
- 3.3 To assess, review and recommend to the Board, candidates to fill the seats on Board Committees. In assessing suitability of candidates, the qualities to look for are competencies, commitment, contribution and performance.
- 3.4 The Committee shall ensure that time commitment is obtained from a director on his appointment and the expectations are met.
- 3.5 To evaluate and recommend the appointment of senior executive positions, including that of the Managing Director or Chief Executive and their duties and the continuation (or not) of their service.
- 3.6 To regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustment that are deemed necessary.
- 3.7 To ensure that the positions of the Chairman and Managing Director or Chief Executive are held by different individuals.
- 3.8 To review the size and core competencies of Non-Executive directors, Board balance and determine if additional directors are required and also to ensure that at least half of the Board is independent.

TERMS OF REFERENCE OF NOMINATION COMMITTEE (CONTINUED...)

3.0 DUTIES (CONTINUED...)

3.9 To assist the Board to do an annual assessment of independence of its Independent Directors and also ensure that the tenure of the Independent Directors do not exceed a cumulative term of nine (9) years. Upon completion of the nine years, an Independent Director may continue to serve on the board as a Non-Independent Director.

If the board intends to retain an Independent Director beyond nine years, it should justify and seek annual shareholders' approval through a two-tier voting process.

3.10 To assist the Board to implement a procedure to be carried out by the Committee for annual assessment on the effectiveness of the Board and the Board Committee as a whole. All assessments and evaluation carried out by the Committee in the discharge of all its functions should be properly documented.

3.11 To conduct an annual review on the Board members, Managing Director and Chief Finance Director / Chief Financial Officer on the required mix of skills, character, experience, integrity, competence and time to effectively discharge their roles.

3.12 To evaluate and review performance of the Board and senior management including, taking into consideration the company's performance in managing material sustainability risks and opportunities.

3.13 To establish a clear succession plan and periodically reporting to the Board on succession planning for the Board Chairman and Managing Director or Chief Executive Officer. The Committee should work with the Board to evaluate potential successors including considering independent sources to identify suitably qualified candidates.

3.14 To recommend Directors who are retiring by rotation under the Articles of Association to be put forward for re-election.

3.15 To have due regard to the principles of governance and code of best practice.

3.16 To keep under review the leadership needs of the organization with a view of ensuring the continued ability to compete effectively in the organization's marketplace.

3.17 To review training needs for the Board.

3.18 To propose to the Board the responsibilities of Non-Executive Directors, including membership and Chairpersonship of Board Committees.

3.19 To review its own performance, at least once a year, and recommend any necessary changes to its Terms of Reference.

3.20 To review the term of office and performance of an Audit Committee and each of its members annually to determine whether such Audit Committee and members have carried out their duties in accordance with their Terms of Reference.

TERMS OF REFERENCE OF NOMINATION COMMITTEE (CONTINUED...)

3.0 DUTIES (CONTINUED...)

- 3.21 To carry out such other functions as may be agreed to by the Committee and the Board of Directors.

4.0 MEETINGS

4.1 Frequency

The Committee shall meet at least once a year. However, additional meetings may be called at any time at the Committee Chairman's discretion.

4.2 Quorum

Two (2) members of the Committee, of whom one must be an Independent Director shall be a quorum.

4.3 Secretary

The Company Secretary shall be the Secretary of the Committee or in his absence, another person authorised by the Chairman of the Committee.

4.4 Attendance

Other Directors, key executives and employees may attend any particular meeting only at the Committee's invitation.

4.5 Reporting Procedure

4.5.1 The minutes of meetings of the Committee shall be circulated to all members of the Board.

4.5.2 The Committee, through its Chairman, shall report to the Board at the next Board meeting after each Committee meeting.

4.6 Meeting Procedure

The Committee shall regulate its own procedure, in particular:-

- (a) the calling of meetings;
- (b) the notice to be given of such meetings;
- (c) the voting and proceedings of such meetings;
- (d) the keeping of minutes; and
- (e) the custody, production and inspection of such minutes.

The notice of each meeting confirming the date, time, venue and agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the Committee at least 5 business days in advance of each scheduled meeting date. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

TERMS OF REFERENCE OF NOMINATION COMMITTEE (CONTINUED...)

4.0 MEETINGS (CONTINUED...)

The meetings of the Committee may be conducted by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means and the minutes of such a meeting signed by the Chairman shall be conclusive of any meeting conducted as aforesaid.

A resolution in writing signed or approved by letter or facsimile by a majority of members (of whom at least one must be an independent Director) shall be effective for all purposes as if it were a resolution passed at a meeting of the Committee duly convened, held and constituted. Any such resolution may consist of a single document or several documents all in like form each signed by one or more members.

5.0 ROLES AND RESPONSIBILITIES OF SENIOR INDEPENDENT DIRECTOR

- (i) Acts as a sounding board to the chairman (e.g. offer counsel to the chairman on matters such as board dynamics and concerns of stakeholders);
- (ii) Serves as an intermediary for other directors when necessary (e.g. facilitate confidential discussions with directors who may have concerns which they believe have not been properly considered by the board or which they feel may not be appropriate to raise in open forum or with the chairman directly);
- (iii) Acts as point of contact for shareholders and other stakeholders particularly on concerns which cannot be resolved through the normal channels of the chairman and/or chief executive officer;
- (iv) Provides leadership support and advice to the board in the event that the board is undergoing a period of stress (e.g. conflict between the chairman and chief executive officer or the strategy being followed by the chairman and/or executive officer is not supported by the Board);
- (v) Leads the succession planning and appointment of board members, including the future chairman and chief executive officer; and
- (vi) Leads the annual review of board effectiveness, ensuring that the performance of each individual director is assessed objectively and holistically (i.e. the views of all the directors are obtained in an impartial manner).

These Terms of Reference should be reviewed annually and be amended as required, subject to the approval of the Board.