

## COMPOSITION OF BOARD NOMINATION COMMITTEE

- |    |                    |          |
|----|--------------------|----------|
| 1. | Datuk Tan Leh Kiah | Chairman |
| 2. | Ms Qian, LiHong    | Member   |
| 3. | Mr Ng Siek Chuan   | Member   |

## **TERMS OF REFERENCE**

### **1. Objective**

- 1.1 Board Nomination Committee (“BNC”) assists the Board of Directors (“the Board”) to provide a formal, transparent and consistent procedure to assess the Board and committees, take charge of fit & proper assessment, appointment/reappointment or removal and performance evaluation of the directors, CEO, senior management, control function heads and the company secretary to promote the Bank’s governance practices.
- 1.2 Senior management of the Bank comprises of Chief Executive Officer/Managing Director (“CEO/MD”), Deputy Managing Director, Assistant Managing Director, Chief-levels below CEO/MD, other Chief-levels equivalent role and other Senior Management members as may be determined by the Board.

### **2. Composition**

- 2.1 The BNC shall comprise of:
  - (i) at least three (3) members; and
  - (ii) majority shall be independent directors.
- 2.2 The BNC shall be chaired by an independent director who is not the chair of the Board.
- 2.3 An executive director may become a member of the BNC.

### **3. Roles and Responsibilities**

The duties and responsibilities of the BNC, among others, would include:-

- 3.1 Composition
  - 3.1.1 To recommend to the Board on the overall composition of the Board and the Board Committees, including the size, qualification and specific competencies. The BNC shall assess the individual and collective skills between directors to address strategies, challenges and regulatory requirements.
- 3.2 Appointment/Re-appointment/Removal
  - 3.2.1 To recommend to the Board the appointment/re-appointment and the removal of directors, CEO, other Senior Management, control function heads and the Company Secretary.
  - 3.2.2 To review and recommend to the Board the procedures of appointment and removal of directors, CEO, other Senior Management and control function heads and to take responsibility of the assessment for the potential candidates.
- 3.3 Evaluations
  - 3.3.1 To conduct annual evaluation to assess performance and effectiveness of the board, board committees and individual directors. The improvements for board

and board committees and areas for professional development for directors shall be recommended to the Board.

3.3.2 To assess annually the performance of CEO, other senior managements, control function heads and senior officers considered to take material risks in the Bank. The assessment should be conducted based on objective performance criteria as approved by the Board.

3.3.3 To assess annually if the company secretary and key responsible persons as defined in the Bank's Fit and Proper Policy meet the fit and proper requirements and submission of the assessment result to the Board to ensure non disqualification under the Financial Services Act 2013, Companies Act 2016, other Malaysian laws and the guidelines of BNM.

3.3.4 To assess annually the independence of the independent directors and to review the suitability of independent directors to remain on the board and board committee(s) when they have reached the maximum tenure as stipulated in the Board Charter of the Bank. The BNC may recommend to extend the tenure of office of an independent director for approval by the Board and BNM, when necessary subject to the shareholder's approval.

#### 3.4 Training and Development

3.4.1 To review the directors' development and training plan annually and recommend to the Board for approval. This aims to promote an ongoing development, knowledge enhancement and skills improvement to fulfill the responsibilities.

#### 3.5 Succession Plan

3.5.1 To oversee the establishment and regularly review succession plans for the Board, directors, CEO, other Senior Management and to promote board renewal and address any vacancies and processes for removal of directors.

#### 3.6 Others

3.6.1 The Committee may appoint independent advisor, as it deems necessary to provide advisory or consultation services to assist the Committee in the discharge of its duties and responsibilities at the expense of the Bank.

3.6.2 To undertake any other roles and responsibilities as may be assigned by the Board.

### **4. Procedures and Meetings**

#### **4.1 Frequency of meetings**

4.1.1 The BNC shall meet as frequently as may be necessary subject to a minimum of one meeting a year.

4.1.2 The BNC meeting will be held in Malaysia and/or overseas as may be agreed by the BNC members in conjunction with the convening of the Board's meeting in the event the same is to be held overseas.

#### **4.2 Quorum**

4.2.1 The quorum shall be two (2) members present in person with a majority being independent non-executive director.

#### **4.3 Notice of Meetings**

4.3.2 Approval from the Chairman of the BNC is required for the convening of any meeting. At least seven (7) days' notice is required for any meeting but may be shortened by agreement of all members present who are sufficient to form a quorum.

4.3.3 Upon consultation with the Chairman of the BNC, meeting materials should be circulated to the BNC members by the Company Secretary at the same time the agenda of the meeting is circulated. If not available, at a shorter period as may be approved by the Chairman of the BNC.

4.3.4 The agenda will be sent to the BNC members together with the notice of meeting.

4.3.5 Under special circumstances, urgent and ad-hoc matters may be tabled at the meeting with the consent of the Chairman.

#### **4.4 Chairman of the meeting**

4.4.1 The Chairman of BNC shall be an independent non-executive director and be appointed by the Board.

4.4.2 The BNC meeting will be presided over by the Chairman of the BNC or in his/her absence, such independent director as nominated by the meeting.

4.4.3 The Chairman of the BNC or the chairman of the meeting shall take reasonable steps to ensure the proper functioning of the meeting.

#### **4.5 Secretary**

4.5.1 The Company Secretary shall be the secretary of the BNC.

4.5.2 In the absence of the Company Secretary, Head of Board of Directors Affairs & Corporate Culture Division or secretarial officer will be the secretary of the meeting.

#### **4.6 Attendance at meetings**

4.6.1 Each member must devote sufficient time to prepare and attend the BNC meetings.

4.6.2 The meeting could either take place in a single physical location or by means of tele/video conferencing or similar communication system whereby all the participants can hear and address each other at the same time.

4.6.3 The BNC may invite other directors, senior management and staff to assist in the discharge of the BNC's function as deemed appropriate.

#### **4.7 Voting**

4.7.1 A majority of vote shall be required to pass or defeat any resolution. In the case of an equality of votes, the Chairman has a casting vote in addition to any other vote he/she may have. However, should there be only two members in attendance (inclusive of Chairman of the BNC), the vote must be unanimous in order to pass or defeat any resolution.

4.7.2 Alternatively, the matter is to be referred to the Board for decision; and any delegation of authority to the Chairman of the Board to handle the matter will be at the discretion of the Board.

4.7.3 Member(s) of the BNC shall abstain from participating in discussions and decisions making on matter(s) of his/her interest.

#### **4.8 Minutes**

4.8.1 The minutes of BNC meeting shall be prepared in sufficient detail to cover the substance of all discussion held to document the procedures to discharge its duties and responsibilities and to provide an effective mean of reporting to the Board.

4.8.2 The duly prepared Minutes of each meeting should be distributed to all the members of the BNC for confirmation. The confirmed minutes of meeting is to be signed by the Chairman of the BNC or in his/her absence, by the chairman of the meeting.

4.8.3 The minutes of the BNC meeting shall be tabled to the Board for notation.

4.8.4 A resolution in writing signed by all the members of the BNC shall be valid and effectual as if it had been passed at a meeting of the BNC duly convened and held.

### **5. Others**

The Terms of Reference of the BNC will be reviewed as and when deemed appropriate so as to maintain its relevancy with the business operation of the Bank and in line with the regulatory requirement.