



[www.tsa.com.my](http://www.tsa.com.my)  
SINCE 1993

**TSA GROUP BERHAD**  
[Registration No. 202201010003 (1455700-A)]  
(Incorporated in Malaysia)

---

**TERMS OF REFERENCE OF  
NOMINATING COMMITTEE**

---

REVISION HISTORY

Version	Effective Date
1	23.11.2022
2	17.05.2024

## 1. OBJECTIVES

The principal objectives of the Nominating Committee (“**the Committee**”) are to assist the Board of Directors (“**the Board**”) in their responsibilities to:-

- (a) Establish documented, formal and transparent procedures to support and advise the Board of Directors of the Company in overseeing the selection and also assessment of the suitability and performance of the Directors and Senior Management of the Company and its subsidiaries on an ongoing basis.
- (b) Nominate new candidates to the Board, lead the succession planning of the Board and management, including future Chairman, Board members and Managing Director (“**MD**”) or Chief Executive Officer (“**CEO**”), if any (or any other person assuming similar roles and responsibilities).
- (c) Reviewing and ensuring the appropriate size and composition of the Board and Board Committees on a periodic basis, and assessing the performance of the Board, the Board Committees and individual Director of the Company on an ongoing basis.
- (d) Ensure proper documentation of all assessments and evaluations on the effectiveness of the Board, the Board Committees and the contribution of each individual Director.

## 2. COMPOSITION AND APPOINTMENT

- (a) The Board shall appoint the members of the Committee from amongst themselves, comprising no fewer than three (3) members, all of whom must be Non-Executive Directors, with the majority of whom, are Independent Directors, including the Chairman.
- (b) Any vacancy, resulting in there being no majority of Independent Directors or the number of members reduced to below three (3), shall be filled within three (3) months.
- (c) No alternate director or the Chairman of the Board shall be appointed as a member of the Committee.
- (d) The term of office and performance of the Committee and each of its members shall be reviewed by the Board annually to determine whether the members have carried out their duties in accordance with their terms of reference.
- (e) The Board shall have the discretion as it deems fit to rescind and/or revoke the appointment of any person(s) in the Committee.
- (f) The appointment of the Committee member terminates when the member ceases to be a Director of the Company.

## 3. CHAIRMAN

The Chairman of the Committee shall be elected from amongst the Committee members. The Chairman of the Committee shall be an Independent Director or the Senior Independent Director identified by the Board and is not the Chairman of the Board.

In the absence of the Chairman of the Committee, the other member of the Committee shall amongst themselves elect a Chairman for the meeting who must be an Independent Director.

The Chairman of the Committee shall:-

- (a) lead the succession planning and appointment of Board members, and oversees the development of a diverse lineup for Board and management succession, including the future Chairman, Executive Directors and CEO; and

- (b) lead the annual review of board effectiveness, ensuring that the performance of each individual Director and Chairman of the Board are independently assessed.

#### **4. SECRETARY(IES)**

The Secretary(ies) of the Committee shall be the Company Secretary(ies) or other appropriate Senior Management and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it together with the supporting explanatory documentation before each meeting.

The Company Secretary(ies) will be responsible for keeping the minutes of the meetings of the Committee and circulating them to the members of the Committee and other members of the Board.

#### **5. 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(ies) shall on the requisition of the members of the Committee summon a meeting of the Committee. Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be forwarded to each member of the Committee and any other person required to attend, at least five (5) working days' notice before the date of the meeting, except in the case of an emergency, where the Committee may waive such requirement.

To allow sufficient time for members of the Committee to consider the relevant information, agenda of items to be discussed, the notice is to be circulated at least five (5) days, or a shorter period where unavoidable, before the meeting. Where there is a need to table a report, a brief statement of findings and/or recommendations is to be prepared and enclosed with the notice.

The members of the Committee may participate in a meeting by means of conference telephone, conference videophone 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.

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

Questions arising at any meeting of the Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Committee shall have a second or casting vote.

#### **6. 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 Chairman of the Committee shall report on the proceedings of each meeting to the Board.

The minutes of the meeting of the Committee 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 members of the Committee may inspect the minutes of the Committee at the registered office or such other place as may be determined by the Committee.

## **7. QUORUM**

The quorum for the meeting of the Committee shall be the majority of members present who must be Independent Directors.

## **8. CIRCULAR RESOLUTIONS**

A resolution in writing signed by a majority of the Committee's members, 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 one (1) or more of the Committee's members. Any such document may be accepted as sufficiently signed by a Committee member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical or digital written messages to include a signature of a Committee member.

## **9. 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 for investigation and report.

## **10. AUTHORITY**

The Committee shall, follow a procedure or process to be determined by the Board and at the cost and expense of the Company, where necessary and reasonable for the performance of its duties:-

- (a) have explicit authority to investigate any matter within its terms of reference.
- (b) have the resources which are required to perform its duties.
- (c) have full and unrestricted access to any information and records pertaining to the Company and Group as well as personnel of the Company and the Group.
- (d) be able to use a variety of approaches, sources or independent sources to ensure that it is able to identify the most suitable candidates. This may include sourcing from a directors' registry and open advertisements or the use of independent search firms.
- (e) be able to engage independent experts at the cost of the Company, to carry out an evaluation on the effectiveness of the board, its committees and individual director, if deemed necessary.
- (f) be able to obtain independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if considered necessary.

## **11. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Committee are as follows:-

- (a) To establish an appropriate Fit and Proper Policy that comprises of selection criteria and processes, recruitment process and to recommend to the Board, candidates for all directorships of the Company and members of the relevant Board Committees.
- (b) To oversee and shape the Group's governance policies and practices, to put in place the succession planning of the Board of Directors and Senior Management and to achieve the board effectiveness and governance.
- (c) To assess and recommend to the Board, suitable candidates for the appointment to the Board for approval, either to fill vacancies or as an addition to meet the changing needs of the Company, based on objective criteria, merits and with due regard for diversity including gender diversity, skills, experience, age, cultural background and other factors that will best qualify a nominee to serve on the Board. The Committee is responsible to provide formal, objective and transparent procedures for the appointment of directors and senior management as well as an annual assessment of the effectiveness of individual directors, Board Committees and Board as a whole and key Senior Management officers.
- (d) To ensure no active politician shall be appointed to the Board and Board Committees.
- (e) When identifying a candidate for directorship, aside from recommendation by the existing Board members, Management or shareholders, the Committee shall utilise independent sources or any other sources to identify suitably qualified candidates.
- (f) To assess and examine, on an annual basis or as and when required, the size and composition of the Board and Board Committees, with a view to determining the impact of the number upon its effectiveness.
- (g) To ensure sufficient diversity and independence in the Board in order to achieve greater depth and breadth in the decision-making process.
- (h) To review on annual basis, the required mix of skills, experience, gender diversity and other qualities including core competencies which Non-Executive Directors, Executive Directors and Senior Management should have.
- (i) To review on annual basis, the meeting attendance of the Directors at the Board and/or Board Committee(s) Meetings and the sufficiency of the time commitment of the Directors in discharging their roles and responsibilities in the Company.
- (j) To review on annual basis, 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 its terms of reference.
- (k) To assess on an annual basis, utilising the Board and Board Committees Annual Evaluation Forms (AEF) for Board Effectiveness Assessment ("**BEA**"), i.e. the effectiveness of the Board, the Board Committees and the contribution and performance of each individual Director.
  - The Chairman of the Committee shall lead and oversee the evaluation which involves Directors completing the AEF, covering the Board and Board Committees processes and the effectiveness and contribution of each of the Directors to the Board and Board Committees.
  - Review the findings and provide recommendations to the Board for further review and proposed actions.
  - Ensure that the deliberations on the findings of the AEF are duly minuted at the meetings of the Committee and the Board.

- The AEF exercise will include the Directors' feedback on areas that affect the performance of the Board which, amongst others, include the following:-
  - ❖ Board mix and composition
  - ❖ Quality of information and decision making
  - ❖ Boardroom activities
  - ❖ Composition of the Board Committees
  - ❖ Contribution and performance of the Board Committees
  - ❖ Effective role in managing material sustainability risks and opportunities
  - ❖ Forward-looking considerations such as mapping current board competencies against those required, to drive the Company's future strategies.
  - ❖ Character and integrity in dealing with a potential conflict of interest situations
  - ❖ Commitment to serve the Company, due diligence and integrity
  - ❖ Confidence to stand up for a point of view.

- (l) To review on annual basis, the length of service of each Independent Non-Executive Director and to assess their independence and ability to exercise their independent judgement or the ability to act in the best interest of the Company.

The tenure of an Independent Director on the Board of the Company shall be limited to nine (9) years in the Company. If any Independent Director had cumulatively served as an independent Director of the Company for more than nine (9) years, such Independent Director may continue to serve on the Board as a Non-Independent Director.

- (m) To review on an ongoing basis, the training programmes attended by the Directors and to identify or recommend the training needs for the Directors.
- (n) To consider and recommend the re-election of Directors who will be retiring pursuant to the Company's Constitution.
- (o) To develop and continually review the succession plan for the Board, Chairman and Senior Management of the Company.
- (p) To ensure that the composition of the Board is refreshed periodically. To review the tenure of each director and the annual re-election of a director should be contingent on a satisfactory evaluation of the director's performance and contribution to the board and to consider and recommend to the Board concerning the re-election/re-appointment of the Director to the Board pursuant to the provisions in the Company's Constitution and Fit and Proper Policy.
- (q) To assist the Board to assess and evaluate circumstances where the Director's involvement outside the Group may give rise to a potential conflict of interest with the Group's businesses, upon receiving the declaration of the same. After deliberation with the Audit and Risk Management Committee, to recommend to the Board the necessary actions to be taken in the circumstances where there is a conflict of interest. To ensure that the individual candidate standing for election should be transparent and make the necessary declaration of the potential conflict of interest to the Board and shareholders;
- (r) To provide shareholders of the Company the information they require to make an informed decision on the appointment and/or re-appointment of a director. The information should be included in the notes accompanying the notice of the general meeting.
- (s) To ensure the following statements are included in the Annual Report:
- Training attended by the Directors.
  - Activities of the Committee in the discharge of its duties.

- (t) To consider and examine such other matters as the Committee considers appropriate.
- (u) To consider any other matters as defined by the Board.

## **12. BOARD DIVERSITY**

The Committee recognises that board diversity is an essential element contributing to the sustainable development of the Group and shall not discriminate on the basis of ethnicity, age, gender, nationality, political affiliation, religious affiliation, marital status, education background or physical ability. The Committee will refer to the Fit and Proper Policy and Gender Diversity Policy to conduct the selection and transparent process for the appointment of directors (including reappointments) and Senior Management. The candidate selection process should be guided by clear criteria as required under the Board Charter, Listing Requirements and guidance in the Malaysian Code on Corporate Governance. In evaluating the ability of a director to perform his role effectively, the Committee should consider among others whether a director is 'over stretched' in terms of his commitments to the board commitments, to meet the demands and expectations of the role. The Board supports the participation of women in the Board and Senior Management. This includes working towards the representation of at least 30% women directors in the Board composition.

- (a) In making the recommendation of suitable candidates for the appointment of Directors (including re-appointment) and the appointment of Senior Management, the Committee shall consider the following:-
  - Qualifications;
  - Skills and competence;
  - Functional knowledge;
  - Experience;
  - Character;
  - Gender diversity;
  - Integrity and professionalism;
  - Environmental, social as well as governance (ESG) experience
  - Whether the person is considered politically active
  - Declaration of interest and potential conflict of interest
  - Time commitment to effectively carry out their duties; and
  - In the case of candidates for the position of Independent Directors, whether the test of independence under the Listing Requirements of Bursa Malaysia Securities Berhad is satisfied.

The Company's Gender Diversity Policy for the Board and senior management shall be disclosed in its annual report.

## **13. PUBLISHED AT THE WEBSITE**

The Terms of Reference of the Committee shall be made available on the Company's website.

## **14. REVIEW OF THE TERMS OF REFERENCE**

The Terms of Reference of the Committee shall be reviewed by the Board annually to ensure that it remains consistent with the Company's objectives and Board's responsibilities and in line with the relevant laws and legislations.

**END**