

FIAMMA HOLDINGS BERHAD
(Company No. 88716-W)

Terms of Reference for Nomination Committee

1. Introduction

The Nominating Committee (the “Committee”) of Fiamma Holdings Berhad (“FHB” or the “Company”) was formed by the Board of Directors of the Company. Its primary function, in line with the Malaysian Code on Corporate Governance 2012, is to assist the Board in the following areas:

- Propose new nominees for the Board of the Company - the actual decision as to who shall be appointed shall be the responsibility of the full Board after considering the recommendations of the Committee;
- Assess the effectiveness of Directors of the Company on an ongoing basis;
- Review the effectiveness of the Group Managing Director/CEO (“GMD/CEO”); and
- Assess the size and composition of the Board of Directors.

2. Membership

- 2.1. The members of the Nomination Committee shall comprise exclusively of Non-Executive Directors, a majority of whom are independent and number at least three (3) in total.
- 2.2. The quorum of the Committee shall be at least two (2) members.
- 2.3. The members will be appointed by the Board and will remain members until there is a change.

3. Frequency of Meetings

Meetings shall be held at least once a year. More meetings may be conducted if the need arises.

4. Secretary

The Secretary of the Company shall be secretary (the “Secretary”) of the Committee.

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5. Duties

The duties of the Committee shall be to:

- 5.1. having evaluated the balance of skills, knowledge and experience on the Board, and hence defined the role and capabilities required for a particular appointment, be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.
 - 5.1.1. In making the recommendations, the Committee will also consider candidates proposed by the Chief Executive Officer, and within the bounds of practicability, by any other senior executive, Director or shareholder. In making its recommendations, the Committee shall assess and consider the following attributes or factors:-
 - a) skills, knowledge, expertise and experience;
 - b) professionalism;
 - c) commitment (including time commitment) to effectively discharge his/her role as a Director;
 - d) contribution and performance;
 - e) background, character, integrity, and competence;
 - f) in the case of candidates for the position of Independent Non-Executive Directors, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-executive Directors; and
 - g) Boardroom diversity including gender diversity.
 - 5.1.2. Shall, at a time during the nomination process to be determined in its discretion, solicit and consider the views of majority shareholder(s) on the nomination of candidates. The Committee has the sole discretion to determine the appropriate manner and scope of the consultation, and the Committee is not required to exceed the ordinary course of communication with significant institutional investors;
 - a) make recommendations to the Board for the appointment of the Chairman, GMD/CEO and Senior Independent Director, including an assessment of the time commitment expected and recognising the need for availability in the event of crises; and
 - b) review and define orientation and induction plans for new directors.
- 5.2. develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors. The nomination and the election process should be disclosed in the Annual Report;
- 5.3. recommend to the Board, Directors to fill the seats on Board Committees;
- 5.4. facilitate Board induction programme for newly appointed Directors;

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- 5.5. assess the training needs of each Director, review the fulfilment of such training, and disclose details in the Annual Report as appropriate;
- 5.6. review the Board's succession plans;
- 5.7. review and make recommendations to the Board on Succession Planning Policy for management;
- 5.8. review annually the required mix of skills, experience and other qualities of the Board, including core competencies which Non-Executive Directors should bring to the Board. This activity shall be disclosed in the Annual Report of the Company;
- 5.9. assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director including his time commitment, character, experience and integrity. All assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented;
- 5.10. assess annually the effectiveness and performance of the Executive Directors;
- 5.11. assess annually the independence of its independent directors. This activity shall be disclosed in the Annual Report of the Company and in any notice of a general meeting for the appointment and re-appointment of independent directors. A Director would not be an "Independent Director" if:
 - the director has been an employee of the Company or any related corporation within the preceding one year;
 - the director has had a material business relationship with the Company either personally or with other person or through a firm or company of which he is a partner, director or major shareholder, as the case may be, within the last three calendar years ("material business relationship" means the director has a beneficial ownership interest of 2% or more or remuneration is more than RM250,000 in any calendar year);
 - the director has not complied with the definition of "Independent Director" in the Listing Requirements of Bursa Malaysia Securities Berhad.
- 5.12. consider the size and balance of the Board with a view to determine the impact of the number upon the Board's effectiveness and recommend it to the Board;
- 5.13. recommend to Board the Company's gender diversity policies, targets and discuss measures to be taken to meet those targets; and
- 5.14. recommend to Board protocol for accepting new directorships.
- 5.15. review, at least once a year, its own performance, constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

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6. 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 at the expense of the Company.

7. Minutes

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

8. Succession Planning for Board

The Committee shall:

- 8.1. keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- 8.2. give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in future;
- 8.3. make recommendations to the Board concerning the succession plans for Executive Directors and in particular for the GMD/CEO;
- 8.4. make recommendations to the Board concerning the re-appointment of any non-executive director at the conclusion of his or her specified term of office, re-election of any director under the retirement by rotation provisions in the Company's Articles of Association, continuation (or not) in service of any director who has reached the age 70, if any;
- 8.5. make any necessary recommendations to the Board concerning the continuation in office, suspension or termination of service of any director (subject, in the case of Company employees to the provisions of their service contracts, if any); and
- 8.6. make recommendations to the Board concerning the continuation (or not) in service of any Independent Director who has served consecutively or cumulatively more than 9 years.

9. Review

This Terms of Reference for the NC was first adopted on 7 November 2012 and will be reviewed at least once a year. The Terms of Reference was last reviewed on 23 November 2016.