

MMAG HOLDINGS BERHAD

[Registration No. 200301007003 (609423-V)]

NOMINATION COMMITTEE

COMPOSITION AND TERMS OF REFERENCE

COMPOSITION

The Nomination Committee of MMAG HOLDINGS BERHAD (“MMAG” or “the Company”) shall be appointed by the Directors from among themselves via a Directors’ resolution and shall comprise exclusively Non-Executive Directors of whom a majority shall be Independent Directors.

The members of the Nomination Committee shall elect a Chairman from among themselves who is an Independent and Non-Executive Director of MMAG. All members of the Nomination Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company.

TERMS OF REFERENCE

Objective

The objective of the Nomination Committee is to ensure that the Directors of the Board bring characteristics to the Board, which provide a required mix of responsibilities, skills and experience. The Nomination Committee will also assist the Board in reviewing on an annual basis the appropriate balance and size of Non-Executive participation and in establishing procedures and processes towards an annual assessment of the effectiveness of the Board as a whole and contribution of each individual Director and Board Committee member.

When a vacancy exists or when it is considered that the Board would benefit from the services of additional Board members with particular skills, the Nomination Committee shall recommend to the Board one or more candidates with the appropriate expertise and experience. The Nomination Committee may source from their peers, networking or recommendations from the management and within the bounds of practicability, by any Director and by the shareholder or may use the services of a professional recruitment firm. The Nomination Committee will then make its recommendation on the candidates for submission to the Board for approval.

Authority

The Nomination Committee should not have the delegated power from the Board to implement its recommendations but should be obliged to report its recommendations back to the full Board for its consideration and implementation. This is in recognition of the importance of diversity within the Board and the need for Board membership to be endorsed by all or the majority.

In carrying out its duties and responsibilities, the Nomination Committee will in principle have access to the Company’s records, properties and personnel. The Nomination Committee may use the services of professional recruitment firms to source the right candidate for directorship or seek independent professional advice whenever necessary.

Duties and Responsibilities

The following are the main duties and responsibilities of the Nomination Committee collectively. These are not exhaustive and can be augmented with the approval of the Board, where necessary:-

- Examine the size of the Board with a view to determine the number of Directors on the Board in relation to its effectiveness and ensure that at every annual general meeting, one-third of the Directors for the time being shall retire from office. A retiring Director shall be eligible for re-election. Every director, including the Managing Director, shall be subject to retirement at least once in every 3 years.
- Review annually its required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and disclose the same in the Annual Report.
- Recommend the proposed candidate to the Board within the bounds of practicability that may be sourced amongst their peers or by professional talent outsourcing, or by the management, to recommend to the Board to fill the Audit and Risk Management, Nomination, Remuneration or other Board Committees. A description/specification for the new Directors should be drafted before identifying possible candidates. Candidates should be evaluated against this specification.
- Assess annually the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director based on the process implemented by the Board.
- Review the Board's succession plans and the training programmes.
- Review annually the terms of office and performance of an Audit and Risk Management Committee and its members.

Meetings

The Nomination Committee shall meet at least once a year or as and when required and report to the Board after each meeting.

The Nomination Committee Meetings shall be chaired by the Chairman of the Nomination Committee and shall have at least two (2) members who shall be "independent" members present at the Meetings. In the absence of the Chairman of the Nomination Committee, the members present shall elect from among themselves, a chairman for the Meeting. The Chairman also has the discretion to call for additional meetings at any time. All recommendations and findings of the Nomination Committee shall be submitted to the Board of Directors for approval. In the absence of a meeting, any issues shall be resolved through circular resolution.

The Managing Director, other Executive/Non-Executive Directors and the respective head of division may be invited to attend where their presence is considered appropriate as determined by the Nomination Committee Chairman.