

**YGL CONVERGENCE BERHAD**  
**REGISTRATION NO. 200401010510 (649013-W)**  
**Incorporated in Malaysia**

**NOMINATING COMMITTEE**  
**TERMS OF REFERENCE**

**1. OBJECTIVES**

- 1.1 The principal objectives of the Nominating Committee ("Committee") of **Ygl Convergence Berhad** ("Company") are to assist the Board of Directors ("the Board") in discharging its statutory duties and responsibilities relating to succession planning and review the effectiveness of the Board and its committees. The purpose of the Committee is to: -
- (a) To assist the Board in reviewing on an annual basis the appropriate size and balance of the Board.
  - (b) To review the required mix of skills, experience, knowledge and responsibilities of the Directors of the Board.
  - (c) To recommend members for appointments to the Board and Board Committees and to ensure appropriate assessment of Directors on an ongoing basis.

**2. COMPOSITION**

- 2.1 The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of no fewer than three (3) members, all of whom must be Non-Executive Directors and a majority of whom are independent.
- 2.2 The Chairman of the Committee shall be appointed among the members of the Committee, who shall be an Independent Non-Executive Director or the Senior Independent Non-Executive Director.
- 2.3 In the event of any vacancy in the Committee resulting in the non-compliance of the composition of Committee under the Term of Reference of the Committee, the Board shall within three (3) months of the vacancy, appoint such new member(s) to comply with the composition of Committee.

**3. AUTHORITY**

- 3.1 The Committee shall, in accordance with a procedure to be determined by the Board and at the cost to be borne by the Company: -
- (a) Have the resources which are required to perform its duties;
  - (b) Have full and unrestricted access to any information pertaining to the Company;
  - (c) Be able to obtain independent professional advice; and
  - (d) Be able to secure the attendance of external advisers and shall have the discretion to decide who else other than its own members to attend meetings, if it thinks fit.

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*Terms of Reference of the Nominating Committee*  
*(continued/-)*

**4. MEETINGS**

- 4.1 The Committee shall meet as and when is required upon request by the Chairman of the Committee or any other members, provided that the Committee shall meet at least once a year. In order to form a quorum, at least two (2) members of the Committee must be present.
- 4.2 In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.
- 4.3 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 not have a casting vote. However, at Meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairman will not have a casting vote.
- 4.4 Unless otherwise agreed, notice of the meeting together with the agenda of items to be discussed shall be sent to each member of the committee at least seven (7) days before the date of the meeting.
- 4.5 A Resolution taking the form of one or more documents in writing signed or approved by other electronic communications by a majority of the members of the Committee, provided that they are sufficient to form a quorum at a meeting of the Committee, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted; provided that the resolution is circulated to all members of the Committee. All such resolutions shall be described as "Resolution in Writing of Nominating Committee" and shall be forwarded or otherwise delivered to the Secretary upon signing without delay, and shall forthwith be recorded by the Secretary in the Company's Minutes Book. Any such resolution in writing may be contained in one (1) document or separate copies thereof (which may be prepared and circulated by electronic communications with copy sent by courier or registered post) which is signed by one (1) or more of the member of the Committee.
- 4.6 The Committee may invite any senior management staff or professional adviser to be in attendance.
- 4.7 The Company Secretaries or their nominee shall be the secretary of the Committee.
- 4.8 The minutes of meetings 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.

**5. DUTIES AND RESPONSIBILITIES**

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

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Terms of Reference of the Nominating Committee  
(continued/-)

(i) Appointment

(a) To consider and recommend to the Board the nominees for appointment of any new Board Members, whether of Executive or Non-Executive position, taking into consideration the following criteria:

- Required skill, knowledge, expertise and experience;
- Time commitment, character, professionalism and integrity;
- Diversity in age, gender, experience and independence;
- Number of directorships in companies outside the Group; and
- Specialist knowledge or technical skill.

A Directors' Fit and Proper Policy has been established to guide the Committee in the review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking election or re-election, across the Group.

- (b) Consider the need to appoint a Senior Independent Non-Executive Director, and if deemed appropriate, recommend to the Board for approval. In considering the candidate for the position of a Senior Independent Non-Executive Director, the Committee shall assess the required knowledge and other qualities necessary for the effective discharge of his/her responsibilities.
- (c) Ensure that a formal letter of appointment setting out clearly the expected time commitment, Board Committee involvement, involvement outside Board meetings and protocol for accepting new directorships is provided to the Non-Executive Directors upon appointment to the Board.
- (d) Identify, consider and recommend suitable persons for appointment as Directors of the Company, its Group and members of the Board Committees, relying on sources from existing Board members, Management, major shareholders, independent search firms and other independent sources.

(ii) Retirement and Re-election

- (a) Ensure that every Director, including the Managing and Executive Directors, shall be subject to retirement at least once every three (3) years. A retiring Director shall be eligible for re-election.
- (b) To conduct the fit and proper assessment before making recommendation to the Board for re-election of retiring Directors pursuant to the Company's Constitution.
- (c) Recommend to the Board, candidates for re-election of Directors by shareholders.

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(continued/-)

(iii) Assessment of Board Composition

- (a) Establish a policy formalising the Group's approach to Boardroom diversity (including diversity in gender, nationality, age, culture, socio-economic background, skills, experience and independence).
- (b) Annually evaluate, review and recommend to the Board the appropriate size of the Board, required mix of skills, experience and other qualities, including core competencies which Non-Executive Directors shall bring to the Board to ensure that they are in line with the Company's and the Group's requirements.
- (c) Consider and recommend any policy regarding the period of service of Non-Executive Directors, tenure of Independent Directors and the term of office of Board Committee members, including Chairmen of Board Committees.
- (d) Periodically review the term of office of all Board Committees, assisted by the Company Secretaries.

(iv) Annual Performance Assessment

- (a) Assist the Board in establishing procedures and processes towards an annual assessment of the effectiveness of the Board as a whole and each Board Committee (including its size and composition). The method/approach of the assessment and outcome of the evaluation shall be documented and disclosed in the annual report.
- (b) Develop, maintain and review the criteria for evaluating the Board's, and Board Committees' and each individual Director's performance.
- (c) Ensure that appropriate actions are taken based on the results of the annual assessments, to continuously enhance the Board's overall performance and identify opportunities for improvement.
- (d) Review the terms of office and performance of the Audit and Risk Management Committee ("ARMC") and each of its members annually to determine whether the ARMC and its members have carried out the duties in accordance with its terms of reference.

(v) Training and Development

- (a) The Committee shall ensure that all newly appointed Directors undertake an appropriate induction programme to ensure that they are fully informed about strategic and commercial issues affecting the Company and the markets in which it operates as well as their duties and responsibilities as a Director of the Board and Board Committees (where applicable).

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*(continued/-)*

- (b) To ensure that all Directors receive appropriate continuous training programmes in order to broaden their perspectives and to keep abreast with developments in the market place and with changes in new statutory and regulatory requirements.

(vi) Succession Planning

- (a) The CEO shall assist the Committee in ensuring that an appropriate succession planning framework and talent management is in place for the position of the Key Principal Officers positions. The Committee shall be apprised of the progress of the programme on a regular basis.

**6. REPORTING PROCEDURES**

- 6.1 The Chairman of the Committee shall report formally to the Board on its proceedings on all matters within its duties and responsibilities.
- 6.2 The Committee may from time to time submit to the Board its recommendation on matters within its purview, for the Board's decision.

**7. REVIEW OF TERMS OF REFERENCE**

- 7.1 The Committee shall arrange for periodic review of its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval. The terms of reference shall be assessed, reviewed and updated periodically i.e. when there are changes to the Malaysian Code on Corporate Governance ("MCCG"), Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements.