

FITTERS DIVERSIFIED BERHAD
(Company No. 149735-M)

NOMINATING COMMITTEE

TERMS OF REFERENCE

1. COMPOSITION

The Nominating Committee shall be appointed by the Board of Directors (“Board”) from amongst their members, comprising exclusively of Non-Executive Directors, a majority of whom are Independent Directors and the number shall not be less than three (3) members. The appointment of a Nominating Committee member terminates when the member ceases to be a Director, or as determined by the Board.

2. QUORUM

The quorum for each meeting shall be two (2) members, present in person, a majority of whom must be Independent Directors.

3. CHAIRMAN

The Chairman of the Nominating Committee shall be an Independent Non-Executive Director or a Senior Independent Director. In the absence of the Nominating Committee Chairman, the remaining members present shall elect one of them to chair the meeting.

4. MEETINGS

The number of Meetings shall be held not less than once a year and additional meetings shall be held as required. A member may at any time and the Secretary shall on the requisition of a Director summon a meeting of the Nominating Committee.

Questions arising at any meeting of Nominating Committee shall be decided by a majority of votes and a determination by a majority of members shall for all purposes be deemed a determination/decision of the Nominating Committee.

In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote PROVIDED THAT where two (2) members form a quorum, the Chairman of the meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue, shall have a casting vote.

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A resolution in writing, signed by all the members of the Nominating Committee, shall be as effectual as if it has been passed at a meeting of the Nominating Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Nominating Committee members.

The Company Secretary or his/her representative or other appropriate senior officer shall act as secretary of the Nominating Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to Nominating Committee members prior to each meeting.

The Company Secretary or his/her representative or other appropriate senior officer shall also be in attendance at each Nominating Committee meetings and responsible for keeping the minutes of meetings of the Nominating Committee, and circulating them to Nominating Committee members and to the other members of the Board.

5. ADVISERS

The Nominating Committee is authorised by the Board to seek appropriate professional advice inside and outside the Group at the Company's expense, as and when it considers this necessary in the discharge of its responsibilities.

6. RESPONSIBILITIES

The Nominating Committee shall have the following responsibilities:-

- (a) Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board. In making its recommendations, the Nominating Committee shall consider the candidates' :-
 - skills, knowledge, expertise and experience;
 - commitment (including time commitment) to effectively discharge his/her role as a Director;
 - professionalism;
 - boardroom diversity including gender, age, experience and ethnicity diversity;
 - character, integrity, commitment (including time commitment) and competence; and
 - in the case of candidates for the position of Independent Non-Executive Directors, the Nominating Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.
- (b) Consider in making its recommendations, candidates for directorship proposed by the Chief Executive Officer/Managing Director and, within the bounds of practicability, by any other senior executive, Director or shareholder.

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- (c) Recommend to the Board, Directors to fill seats on Board Committees.
- (d) 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 Nominating Committee in the discharge of all its functions shall be properly documented and disclosed in the Annual Report;
- (e) 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.
- (f) Assess annually the effectiveness and performance of the Executive Directors.
- (g) Develop, maintain and review the criteria to be used for the selection process of new Directors and annual assessment of the Board, Board Committees and individual Directors. The nomination and the election process should be disclosed in the Annual Report.
- (h) Make recommendations to the Board for the appointment of the Chairman, Chief Financial Controller, Chief Executive Officer/Managing Director, including an assessment of the time commitment expected and recognising the need for availability in the event of crisis.
- (i) Assess annually the independence of its Independent Directors and where applicable, the independence of the Independent Directors who have served on the Board for a cumulative term of more than nine (9) years for appointment or otherwise. 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. If upon completion of nine (9) years, the Independent Director continues to serve on the Board, he or she may do so subject to the re-designation as a Non-Independent Director after serving a cumulative term of nine (9) years, it should be subjected to the following:
 - a) assessment by the Committee, regarding the independence and contributions;
 - b) shareholders' approval in a general meeting, where the Board provides strong justification on the recommendation.
- (j) Assist the Board to evaluate and determine the training needs of its Directors and review training programmes for the Board.
- (k) Review the Board's succession plans in order for the Board to maintain appropriate experience, expertise and diversity (including gender diversity).
- (l) Recommend to the Board the Company's gender, age, experience and ethnicity diversity policies, targets and discuss measures to be taken to meet those targets.

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- (m) Recommend to the Board protocol for accepting new directorships.
- (n) 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.
- (o) Consider the size of the Board with a view to determine the impact of the number upon the Board's effectiveness and recommend it to the Board.
- (p) Review the character, experience, integrity, competence and time to effectively discharge the roles of Chief Executive Officer/Managing Director and Chief Financial Officer*.
- (q) Facilitate Board induction programme for newly appointed Directors.
- (r) Consider and recommend the Directors for re-election/re-appointment at each Annual General Meeting.
- (s) Assess annually the term of office and performance of the Audit Committee and each of its members to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

6. ANNUAL GENERAL MEETING

The Chairman of the Nominating Committee or in his absence, another Nominating Committee member should attend the annual general meeting to answer any shareholder questions on the Nominating Committee's activities.

7. PERIODIC REVIEW

This Terms of Reference shall be reviewed annually by the Nominating Committee.

8. REVISION OF THE TERMS OF REFERENCE

- Any revision or amendment to this Terms of Reference, as proposed by the Nominating Committee or any third party, shall first be presented to the Board for its approval.
- Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

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**Definition of:-*

Chief Executive Officer - means the principal executive officer of the corporation for the time being, by whatever name called, and whether or not he is a director.

Chief Financial Officer - means the person primarily responsible for the management of the financial affairs of the corporation (such as record keeping, financial planning and financial reporting), by whatever name called.

Date : 28 February 2018