

**FOCUS LUMBER BERHAD (188710-V)**  
(Incorporated in Malaysia)

**TERMS OF REFERENCE OF THE NOMINATION COMMITTEE**

**1. Composition of Nomination Committee**

The Nomination Committee (“NC”) shall be appointed by the Board of Directors and shall consist of not less than three (3) members of which comprising exclusively Non-Executive Directors, with a majority of whom must be Independent Non-Executive Directors.

In the event of any vacancy in the NC resulting in the non-compliance of the above, the Board shall take steps to fill the vacancy within three (3) months of that event.

The Board of Directors must review the term of office and performance of the NC and each of its members annually to determine whether the NC has carried out their duties in accordance with their terms of reference.

**2. Chairman**

The Chairman of NC shall be elected by the NC from among their members. The Chairman of NC shall be an Independent Director or the Senior Independent Non-Executive Director.

The role of the NC’s Chairman shall include:-

- i. Leading in succession planning and appointment of board members, future Chairman and Chief Executive Officer; and
- ii. Leading the annual review of board effectiveness, ensuring that the performance of each individual director is independently assessed.

**3. Secretary of the NC**

The Company Secretaries of the Company or such substitute as appointed by the Directors from time to time shall act as the Secretary of the NC during the term of his/her appointment.

**4. Functions**

The NC shall:-

- i. assess and recommend to the Board of Directors, the candidates for all directorships to be filled by the shareholders or the Board of Directors. In making its recommendations, the NC should consider the candidates:-
  - skills, knowledge, expertise and experience;
  - professionalism;
  - integrity;

- in the case of candidates for the position of Independent Non-Executive Directors, the NC should also evaluate the candidate's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors; and
  - time commitment;
- ii. consider, in making its recommendations, candidates for directorships proposed by the Managing Director/Chief Executive Officer and, within the bounds of practicability, by any other senior executive or director or shareholder. The NC may also utilise independent services to identify suitably qualified candidates.
  - iii. recommend to the board, directors to fill the seats on board committees;
  - iv. carry out performance evaluations of the board and senior management including the review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities;
  - v. assess the size, composition and diversity of the Board and Board Committees including the required mix of skills, knowledge, experience, tenure of each director and other qualities annually, and recommend the proposed re-election of director to the Board;
  - vi. review training programs for the Board of Directors and ensure that all directors undergo appropriate induction programs and receive continuous training;
  - vii. review annually the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the board and thereafter, recommend its findings to the board;
  - viii. develop the criteria for recruitment process and to assess the independence of Independent Directors annually, especially on those who has served for a cumulative term of 9 years and to disclose the reviews to the shareholders for their information;
  - ix. apply the process as determined by the Board of Directors, for assessing the effectiveness of the board as a whole, the committees of the board, and for assessing the contribution of each individual director, including Independent Non-Executive Directors, as well as the Managing Director/Chief Executive Officer where all assessments and evaluations carried out by the NC in the discharge of all its functions should be properly documented;
  - x. review board's succession plans; and
  - xi. facilitate achievement of board gender diversity policies and targets and review the gender diversity policy from time to time.

- xii. review the term of office and performance of an audit committee and each of its members annually to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.

## 5. Procedure of Committee Meetings

### (i) Frequency of Meetings

The NC should meet regularly, with due notice of issues to be discussed and should record its conclusion in discharging its duties and responsibilities. The NC should disclose the number of committee meetings held in a year and the details of attendance of each individual member in respect of meetings held in the Company's Annual Report.

### (ii) Calling

Any member may at any time, and the Secretary shall on the requisition of any of the member, summon a meeting.

The NC meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enable the NC members as a whole to participate for the entire duration of the meeting. The technology to be used for the purpose of this paragraph must enable each NC member taking part in the meeting to communicate simultaneously with each of the other NC members and may include telephone, video conferencing, or any other audio and/or visual device which permits instantaneous communication. All information and documents for the meeting must be made available to all NC members prior to or at the meeting. A minute of the proceedings of such meeting is sufficient evidence of the proceedings to which it relates.

### (iii) Notice

The Secretary, in conjunction with the Chairman, shall draw up an agenda of the meeting. Except in the case of an emergency, notice of every meeting shall be given in writing to all its members at least five (5) business days before the meeting. A notice of each meeting shall be served to the NC member either personally or by fax or by post or by courier or by e-mail or other electronic means as determined by the NC.

### (iv) Quorum

The quorum shall be two (2) members with majority of Independent Non-Executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

(v) Virtual meeting

A virtual meeting shall be deemed to constitute NC meeting provided the following conditions are met:

- (a) all the NC members for the time being entitled to receive notice of the NC meeting shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as may be permitted by the Constitution of the Company; and
- (b) NC member may not leave a virtual meeting by disconnecting from the technology used unless he/she has previously expressly notified the Chairman of his/her intention to leave the meeting and NC member shall be conclusively presumed to have been present and to have formed part of the quorum at all times during such a meeting until such notified time of his/her leaving the meeting.

The main venue of the NC meeting shall be the place where the Chairman is present at the NC meeting.

(vi) Voting

A resolution put to the vote of the meeting shall be decided on a show of hands. In the case of an equality of votes, the Chairman shall be entitled to a second or casting vote.

(vii) Keeping of Minutes

Minutes of each meeting shall be signed by the Chairman of the meeting at which the proceedings were held and kept as part of the statutory record of the Company upon confirmation by the Board and a copy shall be distributed to each member of the NC.

(viii) Custody, production and inspection of such minutes

The minutes shall kept by the Company at the Registered Office or the principal place of business of the Company in Malaysia and shall be accessible for the inspection of member of the NC without charge.

(ix) Access to Advice

In furtherance to their duties as the NC's members of the Company, there should be an agreed procedure for the members, whether as a full Committee or in their individual capacity, to take independent professional advice at the Company's expense, if necessary.

(x) Resolution

A resolution in writing signed or approved by letter or telefax or other electronic means by all members of the NC who may at the time be present in Malaysia and who are sufficient to form a quorum, 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 be executed in any number of counterparts, each signed by one or more members of the NC all of which taken together and when delivered to the Secretary of the NC shall constitute one and the same resolution.

(Revised on 21 February 2022)