



**TRI-MODE SYSTEM (M) BERHAD**  
**(COMPANY NO: 229265-X)**

## **NOMINATION COMMITTEE TERMS OF REFERENCE**

### **1.0 PURPOSE**

1.1 This Nomination Committee's ("the Committee") Terms of Reference ("TOR") is established pursuant to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and approved by the board of Directors of Tri-Mode System (M) Berhad ("Tri-Mode" or "the Company") ("Board"). The purpose of the Committee, set up under the Listing Requirements, is to assist the Board in fulfilling its roles and responsibilities with regards to the following:

- a) composition of the Board, the Board Committees, all directorships and Senior Management in Tri-Mode and its subsidiaries ("the Group");
- b) employment contracts;
- c) nomination and election process, and appointment and re-appointment / re-election process;
- d) contribution and commitment of the Directors;
- e) letter of appointment for the Non-Executive Directors ("NEDs");
- f) induction and continuing education programmes;
- g) Board assessment; and
- h) succession planning.

1.2 The existence of the Committee does not diminish the Board's ultimate statutory and fiduciary responsibility for decision-making relating to the functions and duties of the Committee.

### **2.0 COMPOSITION**

2.1 The Committee's membership and the Chairman of the Committee shall be appointed by the Board, and shall be appointed from among the Directors of Tri-Mode.

2.2 The Chairman of the Committee shall be an Independent Director.

2.3 All the members of the Committee must be NEDs and a majority of whom must be Independent Directors free from any business or other relationship that, in the opinion of the Board, would materially interfere with the exercise of his / her independent judgement as a member of the Committee.

2.4 No Alternate Director shall be appointed as a member of the Committee.

2.5 In order to form a quorum for the Committee meeting, at least three (3) members of the Committee must be present at the Committee meeting, with a majority of Independent Directors.



**TRI-MODE SYSTEM (M) BERHAD**  
**(COMPANY NO: 229265-X)**

2.6 In the absence of the Chairman of the Committee, the members present shall elect a Chairman for the meeting from amongst the members present.

**3.0 SECRETARIES OF THE COMMITTEE**

3.1 The Secretaries of the Committee shall be present to record proceedings of the Committee meetings.

3.2 The Secretaries of the Committee shall have the following responsibilities:

- a) ensuring meetings are arranged and held accordingly;
- b) assisting the Chairman of the Committee in planning and drafting the Committee's activities for the financial year;
- c) drawing up meeting agenda in consultation with the Chairman of the Committee, and circulate the agenda, together with the relevant papers, at least seven (7) days prior to each of the Committee meeting;
- d) ensuring structured communication between the Board and the Committee;
- e) ensuring proceedings of the meetings are minuted and endorsed by the Chairman of the Committee before disseminating them to all Board members; and
- f) ensure the Committee's recommendations presented to the Board are supported by explanatory papers, including report of the Committee or minutes that explains the rationale of the Committee's recommendations.

**4.0 AUTHORITY AND RIGHT**

4.1 The Board authorizes the Committee, within the scope of its duties and responsibilities set out in this TOR to:

- a) perform the activities required to discharge its responsibilities within its TOR and make relevant recommendations to the Board;
- b) acquire the resources which are required to perform its duties;
- c) have full and unrestricted access to information pertaining to the Group, their records, properties and personnel;
- d) obtain relevant internal and external independent professional advice, as it deems necessary, to assist the Committee in the discharge of its roles and responsibilities, at the expense of the Company and in accordance to the authority delegated to the Committee; and
- e) meet exclusively among itself, whenever deemed necessary.



**TRI-MODE SYSTEM (M) BERHAD**  
**(COMPANY NO: 229265-X)**

## **5.0 REPORTING**

5.1 The Committee shall report to the Board on matters considered and its recommendations thereon, pertaining to the Group through:

- a) copies of minutes of the Committee meetings supported by explanatory papers and being circulated to all Board members once endorsed by the Chairman of the Committee; and
- b) the Chairman of the Committee drawing to the Board's attention on any matter of major importance.

5.2 The Committee shall review any report or statement as required by law or regulations or requested by the Board, including relevant sections of the annual report and other shareholder / stakeholder communication documents in relation to nomination matters.

5.3 In pursuant to the Listing Requirements, the Committee shall be responsible in ensuring the Company discloses in its annual report a statement on the activities of the committee in relation to the discharge of its duties for the financial year.

## **6.0 DUTIES AND RESPONSIBILITIES**

6.1 The Committee's responsibilities shall include, but are not limited to the following:

**a) Composition of the Board, the Board Committees, all directorships and Senior Management in the Group:**

- i. Review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, the Board Committees, all directorships and Senior Management in the Group with a view to determine the impact of the number of Directors and Senior Management upon the Board's, the Board Committee's and the Group's effectiveness, and recommend to the Board on any improvements to be made.
- ii. Review the Board and Senior Management's composition with regard to the mix of skills, knowledge, experience, expertise, independence and diversity (including gender, ethnicity and age) and other qualities required to facilitate effective and efficient functioning of the Board.
- iii. To have at least one female director in the Board.

**b) Employment contracts**

- i. Review and recommend to the Board the appointment of any Executive Directors and Senior Management within the Group.
- ii. Review and recommend the extension of contracts of the Group MD, the Executive Directors, the Group's Senior Management and any other person the Board determines.



**TRI-MODE SYSTEM (M) BERHAD**  
**(COMPANY NO: 229265-X)**

- iii. To ensure S.232 of the companies Act 2016 is adhered to where a copy of every Director's service contract is made available for inspection at its registered office.

**c) Appointment / re-appointment / re-election process and its criteria**

- i. Develop, maintain and keep under review the criteria to be used in the appointment / recruitment process of the Board, the Board Committees, all directorships and Senior Management in the Group, and recommend to the Board for its approval.
- ii. Recommend to the Board for its approval, the candidates for the Board, the Board Committees, including the Chairman of the Board Committees and Senior Management in the Group. In making the recommendations, the Committee shall consider candidates sourced from a diverse pool including proposal by the Chairman of the Committee and, within the bounds of practicality, by any Director or shareholders of Tri-Mode. The Committee shall also consider the prospective Director and Senior Management's character, experience, competence, integrity and time commitment.
- iii. Review the re-appointment / re-election / retirement process of Directors having regard to their performance and ability to continue to contribute to the Board in light of their knowledge, skills and experience based on the annual Board assessment.

**d) Contribution and commitment of the Directors and Senior Management**

- i. Set out and communicate the expectations of Directors and Senior Management regarding the level of contribution and time commitment expected of them, and obtain this commitment in writing, including an indication of time that shall be spent on an appointment, from the Directors and Senior Management.

**e) Letter of appointment for the NEDs**

- i. Ensure that all NEDs receive a formal letter of appointment, setting out clearly what is expected of them in terms of their roles and responsibilities as well as time commitment expected, together with the relevant Board's and Company's related documents (i.e. the Board Charter, the Board Committees' TOR, and the Code of Conduct and Ethics).

**f) Induction and continuing education programmes**

- i. Recommend to the Board and facilitate appropriate induction programmes for the new Directors.
- ii. Recommend to the Board and facilitate appropriate education programmes for newly appointed Directors and existing Directors.
- iii. Evaluate and conduct training needs analysis for each Director based on the findings of the Board assessment and ensure that their training needs are met and that they are kept abreast of all regulatory changes and developments in the business environment.



**TRI-MODE SYSTEM (M) BERHAD**  
**(COMPANY NO: 229265-X)**

**g) Board and Senior Management assessment**

- i. Develop, maintain and review the criteria and process to be used in the assessment of the Board as a whole, the Board Committees, individual Directors and Senior Management.
- ii. Assess, on an annual basis, the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director and Senior Management and maintain proper documentation of such assessment.
- iii. Assess the findings of the Board assessment and devise the appropriate action plans to be taken to address any gaps identified from the Board and Senior Management assessment process and table to the Board for its review and approval.
- iv. Develop, maintain and keep under review the criteria to assess independence pursuant to the Listing Requirements and recommend to the Board for its approval.
- v. Review, on an annual basis, the independent Directors. The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. If upon completion of the nine (9) years and 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. However, the Board may, in exceptional cases decide that a Director remains as an Independent Director after serving a cumulative term of nine (9) years, subject to the following:
  - ✓ assessment by the Committee, regarding the independence and contribution of the Director; and
  - ✓ two tier shareholders' approval in a general meeting, where the Board, assisted by the Committee, provides strong justification on such recommendation.

**h) Succession planning**

- i. Review and oversee the development of a succession planning framework for the Board members.

**7.0 MEETING ADMINISTRATION**

- 7.1 The Committee meetings shall be conducted at least three (3) times annually, or more frequently as circumstances dictate.
- 7.2 The Chairman of the Committee, in consultation with the Secretary of the Committee, shall determine the frequency of the Committee meeting and discuss the schedule of meetings with the members of the Committee.
- 7.3 In addition to the regular scheduled meeting, the Chairman of the Committee shall call for a meeting of the Committee if so requested by any member of the Committee or by the Chairman of the Board.
- 7.4 Resolutions of the members of the Committee at a meeting or adjourned meeting of the Committee shall be adopted by a majority of votes of all members present. In the event matters requiring the



**TRI-MODE SYSTEM (M) BERHAD**  
**(COMPANY NO: 229265-X)**

Committee's decision arise between meetings, such matters shall be resolved through circular resolution which shall be supported by relevant papers setting out details of the subject matters. The members of the Committee may obtain more information from the management of the Group and express their view points by facsimile, electronic mail or any other means of telecommunication before arriving at a decision on the subject matter. All such resolutions shall be submitted for confirmation at a meeting of the Committee following the passing of the circular resolutions.

- 7.5 The Committee meeting shall normally be conducted in a face-to-face manner to enable effective discussion. Nevertheless, if a member of the Committee is unable to be physically present, the member may choose to participate via video or tele-conferencing, or other appropriate means as determined by the Committee.
- 7.6 The Group MD, the head of human resource department and the Chief Financial Officer may attend the meetings upon invitation by the Committee. Participation from the Group MD, the head of human resource department and the Chief Financial Officer may not be required for the full duration of the meeting.
- 7.7 In addition to the members of the Committee, other Directors of the Board, other executives of the Group, and/or any party which the Committee deems necessary may attend the Committee meetings upon invitation of the Committee. Participation of invitees may not be required for the full duration of the Committee meeting.
- 7.8 Any of the Committee member or invited participant with conflicting interest shall abstain from the said discussion and must not be physically present during the discussion. A Committee member shall abstain and excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation(s) for him/her, including matters regarding related party transactions.
- 7.9 The Chairman of the Committee shall exercise the right to request those who are in attendance to leave the room if the matters being discussed are confidential or may be impaired due to the presence of the individuals concerned.

**8.0 THE COMMITTEE'S PERFORMANCE**

- 8.1 On an annual basis, the Board shall evaluate the Committee's performance and extent to which the Committee has met the requirements of its TOR. This performance assessment may constitute a part of the annual Board assessment, pertaining to the assessment of the Board Committees.



**TRI-MODE SYSTEM (M) BERHAD**  
**(COMPANY NO: 229265-X)**

**9.0 THE COMMITTEE'S ETHICS AND PROCEDURES**

9.1 All members of the Committee shall safeguard all internal communications and treat them as strictly private and confidential, and for the use of the Committee members only. The Committee shall work diligently amongst the members of the Board and adhere to all applicable laws and regulations as well as the prescriptions rendered in the Code of Conduct and Ethics.

**10.0 REVIEW OF THE TOR**

10.1 The Committee's TOR shall be reviewed periodically, especially when there are changes to the Listing Requirements, the Malaysia Code of Corporate Governance 2017 and Companies Act 2016 or at least once every three (3) years. All amendments to the TOR of the Committee must be approved by the Board.