

TONG HERR RESOURCES BERHAD
Registration No. 199701016642(432139-W)

Nominating Committee

Terms of Reference

Objective

The role of the Nominating Committee is to recommend candidates with an optimal mix of qualifications, skills, expertise and experience to the Board for all directorships of the Company and to ensure that the Company recruits and retains the best available executive and non-executive directors. The final decision on the appointment of any directors of the Company shall be determined by the Board.

Composition

The Nominating Committee shall comprise exclusively of non-executive directors and a majority of whom shall be independent. The performance assessment of the Nominating Committee should be carried out by the Board, benchmarking the activities it carries out against its terms of reference as approved by the Board.

Quorum

Two (2) members of the Nominating Committee shall constitute a quorum.

Frequency of Meetings

The Nominating Committee should meet at least once a year to carry out the activities as enshrined in its terms of reference, or more frequently when the need arises.

Circular Resolution

A resolution in writing signed or approved by letter, telegram, telex or telefax by all the Committee Members whether within or outside 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 Nominating Committee duly convened, held and constituted. Any such resolution may consist of several documents in like form, each signed by one or more Committee Members.

Duties and Responsibilities

The Committee shall:-

1. Recommend to the Board candidates for all directorships to be filled by the shareholders or the Board, taking into consideration the candidates':
 - Skills, knowledge, expertise and experience;
 - Professionalism;
 - Integrity; and
 - In the case of candidates for the position of independent non-executive directors, the nominating committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executives directors.
2. Consider, in making its recommendation, candidates proposed by the Managing Director and within the bounds of practicality, by any senior management or any director or shareholder;
3. Recommend to the Board, candidates to fill the seats on Board committee;
4. Assist the Board in an annual review of the required mix of skills and experience and other qualities including core competencies which non-executive directors should bring to the Board;
5. Annually assess the effectiveness of the Board as a whole, the Board committees and the contribution of each individual director, including independent non-executive directors, Managing Director and Chairman. All assessments and evaluations carried out by the Nominating Committee in the discharge of all its functions should be properly documented;
6. Facilitate and coordinate the annual board effectiveness assessment process, and report to the Board at the end of each fiscal year with an assessment of the Board's performance and areas in which the Board, Board committees or individual director could improve on;
7. Assess the desirable balance in Board membership, considering the structure and development of excessive number of directorships;
8. Assess desirable number of independent directors;
9. Recommend individuals for nomination as members of the Board by assessing the desirability of renewing existing directorships. Due consideration should be given to the extent to which the interplay of the Director's expertise, skills, knowledge and experience was demonstrated with those of other board members;
10. Reporting to the Board on succession planning for the Board Chairman and Managing Director.
11. Assist the Board to do an annual assessment of the independence of its Independent Directors
12. Recommend the continuation (or not) in service of any director who has reached the age of 70.