

## **OPENSYS (M) BERHAD**

### **NOMINATION COMMITTEE**

#### **COMPOSITION AND TERMS OF REFERENCE**

##### **COMPOSITION**

The Nomination Committee shall be appointed by the Directors from among themselves via a Directors' resolution and shall compose exclusively of Non-Executive Directors of whom a majority shall be Independent Directors.

The members of the Nomination Committee shall elect a Chairman from among themselves who is an Independent Director of OpenSys (M) Berhad ("OpenSys" or "the Company"). All members of the Nomination Committee, including the Chairman, will hold office only so long as they serve as Directors of OpenSys.

##### **TERMS OF REFERENCE**

###### **Objective**

The objective of the Nomination Committee is to ensure that the Directors of the Board bring characteristics to the Board, which provide a required mix of responsibilities, skills and experience. The Nomination Committee will also assist the Board in reviewing on an annual basis the appropriate balance and size of Non-Executive participation and in establishing procedures and processes towards an annual assessment of the effectiveness of the Board as a whole and contribution of each individual Director and Board Committee member.

When a vacancy exists or when it is considered that the Board would benefit from the services of a new Executive Director with particular skills, the Nomination Committee shall recommend to the Board one or more candidates with the appropriate expertise and experience. The Nomination Committee may also consider in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and within the bounds of practicability, by any Director and by the shareholder or may use the services of a professional recruitment firm. The Nomination Committee will then make its recommendation on the candidates for submission to the Board for approval.

###### **Authority**

The Nomination Committee should not have the delegated power from the Board to implement its recommendations but should be obliged to report its recommendations back to the full Board for its consideration and implementation. This is in recognition of the importance of diversity within the Board and the need for Board membership to be endorsed by all or the majority.

In carrying out its duties and responsibilities, the Nomination Committee will in principle have access to OpenSys's records, properties and personnel. The Nomination Committee may use the services of professional recruitment firms to source for the right candidate for directorship or seek independent professional advice whenever necessary.

### **Duties and Responsibilities**

The following are the main duties and responsibilities of the Nomination Committee collectively. These are not exhaustive and can be augmented if necessary by Board approval:-

- Examine the size of the Board with a view to determine the number of Directors on the Board in relation to its effectiveness and ensure that at every annual general meeting, one-third of the Directors for the time being shall retire from office. A retiring Director shall be eligible for re-election. Every director shall be subject to retirement at least once in every 3 years.
- Review annually its required mix of skills and experience and other qualities, including core competencies which non-executive Directors should bring to the Board and disclose the same in the Annual Report.
- Recommend to the Board, candidates for all directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any director or shareholder and to recommend to the Board candidates to fill the Audit, Nomination, Remuneration or other Board Committees. A description/specification for the new Directors should be drafted before identifying possible candidates. Candidates should be evaluated against this specification.
- Assess annually the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director based on the process implemented by the Board.

### **Meetings**

The Nomination Committee shall meet at least once a year. The Committee will meet as and when required and report to the Board after each meeting.

The Nomination Committee Meetings shall be chaired by the Chairman of the Committee and shall have at least two (2) members who shall be 'independent' members present at the Meetings. In the absence of the Chairman of the Nomination Committee, the members present shall elect from among themselves, a chairman for the Meeting. The Chairman also has the discretion to call for additional meetings at any time. All recommendations and findings of the Nomination Committee shall be submitted to the Board of Directors for approval. In the absence of a meeting, any issues shall be resolved through circular resolution.

The Chief Executive Officer and/or other appropriate officers may be invited to attend where their presence is considered appropriate as determined by the Nomination Committee Chairman.