

HONG LEONG ISLAMIC BANK BERHAD

NOMINATION COMMITTEE TERMS OF REFERENCE

**HONG LEONG ISLAMIC BANK BERHAD (“BANK” OR “HLISB”)
- NOMINATION COMMITTEE (“NC”)**

TERMS OF REFERENCE (“TOR”)

1. Composition

- 1.1 The NC shall have a minimum of three members (“the Members”) who shall be appointed by the Board of Directors (“Board”) out of their own number, provided that the majority comprise of independent Directors.
- 1.2 A Member who wishes to retire or resign from the NC should provide sufficient notice to the Company so that a replacement may be appointed. In the event that any Member ceases to be a Director of the Company, he shall automatically cease to be a Member of the NC.
- 1.3 In the event that the number of Members is reduced below three the Board shall appoint such new Members as may be required as soon as practicable provided that the composition of the NC shall meet the criteria set out in Clause 1.1 above.

2. Chairman

- 2.1 The Members shall elect out of their own number a Chairman from the NC who is an independent Director of the Company.
- 2.2 The Chairman of the NC shall preside as Chairman at every meeting save that if at any meeting, the Chairman is not present and there is a quorum, the Members present shall elect a Chairman who is an independent Director.

The Chairman of the Board must not chair any meeting of the NC.

3. Secretary(ies)

The Secretary(ies) of the Company or such other person as nominated by the Board will be the Secretary(ies) of the NC.

4. Responsibilities

The NC’s responsibilities are as follows:

- 4.1 Support the Board in carrying out its functions in the following matters concerning the Board, Shariah Committee (“SC”), senior management and company secretary(ies):
 - (a) appointments and removals;
 - (b) composition;

- (c) performance evaluation and development; and
 - (d) fit and proper assessments.
- 4.2 Recommend to the Board the minimum criteria and skill sets for appointments of the Board, Board committees, SC and for the position of Chief Executive Officer (“CEO”).
- 4.3 Review and recommend to the Board all Board, Board committees and SC appointments, re-appointments and removals including of the CEO.
- 4.4 Review annually the overall composition of the Board and SC in terms of the appropriate size and skills, the balance between executive directors, non-executive and independent directors, competence, knowledge and mix of skills and other core competencies required.
- 4.5 Assess annually the performance and effectiveness of the Board, Board Committees, each individual director and SC member and their contributions to the overall functions.
- 4.6 Oversee the appointment and management of succession planning and performance evaluation of key senior management officers and recommend their removal if they are found ineffective, errant and negligent in discharging their responsibilities.
- 4.7 Ensure that the Board receives an appropriate continuous training programme.

5. Meetings

5.1 Convening of Meetings

- a. The NC shall hold at least one meeting (which may include meetings conducted via telephonic and video conference) in each financial year to be convened by the Secretary(ies) to the NC.
- b. Upon the request of any Member, the Chairman shall convene a meeting of the NC to consider any matters which the Member believe should be brought to the attention of the NC.

5.2 Notice of Meetings

- a. The notice and agenda for each meeting shall be circulated to all Members specifying the date, time and venue of the meeting and setting out the matters to be discussed.
- b. The NC may invite such other persons as they deem necessary to the meetings.

5.3 **Recording of Proceedings**

- a. The Members shall cause minutes to be made of all proceedings and decisions taken at NC meetings, and of the attendances thereat.
- b. A copy of the minutes of each meeting shall be circulated to every member of the Board.
- c. The minutes are to be signed by the Chairman at the next succeeding meeting. Any minutes signed by the Chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts stated therein.
- d. The minutes of the NC shall be kept by the Secretary(ies) to the NC at the registered office of the Company and shall be opened to inspection of the Board at any time.

5.4 **Quorum**

At least half of the number of the NC Members shall form a quorum.

5.5 **Decisions**

- a. Any decision to be taken by the NC or questions arising at any meeting shall be determined by a majority of votes of the Members present and in the case of an equality of votes, the Chairman shall have a second or casting vote.
- b. A NC member, who has, directly or indirectly, an interest in a material transaction or material arrangement shall not be present at the NC meeting where the material transaction or material arrangement is being deliberated by the NC.

6. **Circular Resolutions**

- 6.1 A resolution in writing signed by a majority of Members shall be as valid and effectual as if it had been passed at a meeting of the NC duly convened and held. Any such resolution may be contained in a single document or may consist of several documents in like form, each signed by one or more Members.
- 6.2 For the purpose of this provision, “in writing” and “signed” include approval by facsimile and other electronic means.

7. **Others**

The NC may regulate and amend the provisions relating to its own procedures in particular the calling of the meetings, notice to be given of such meetings, the voting and proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.