

Rimbunan Sawit Berhad
(Company No. 691393-U)

Terms of Reference of Nomination Committee

1. Constitution

The functions and authority of the Nomination Committee (“the Committee”) extend to Rimbunan Sawit Berhad (“the Company”) and all its subsidiaries, collectively referred to as “the Group”.

2. Primary Objectives

The Committee has been formed with the following objectives:

- (a) identify and recommend to the Board of Directors (“the Board”), candidates for all directorships of the Company to be filled by the shareholders or the Board to meet the needs of the Company;
- (b) consider, in making its recommendations, candidates for directorships proposed by the Managing Director and, within the bounds of practicality, by any other senior executive or any director or shareholder;
- (c) recommend to the Board, directors to fill the seats on Board Committees;
- (d) evaluate the effectiveness of the Board and Board Committees (including their size and composition) and contributions of each individual director/members; and
- (e) ensure an appropriate framework and succession plan for the Company.

3. Membership

The Committee shall be appointed by the Board from amongst their numbers and shall have at least three (3) members, all of whom shall be non-executive directors with the majority being independent directors. No alternate director can be a member of the Committee.

If a member of the Committee resigns, dies or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new member as may be required to make up the minimum number of three (3) members.

The appointment of a committee member terminates when the member ceases to be a director, or as determined by the Board of Directors.

The Committee shall have no executive powers and shall report to the Board on matters considered and its recommendations thereon, pertaining to the Company and the Group.

4. Chairman

The Chairman of the Committee shall be the senior independent director identified by the Board.

In the absence of the Chairman of the Committee, the members present shall elect one of their numbers to chair the meeting.

5. Secretary

The Secretary to the Committee shall be any one (1) of the joint company secretaries. In the absence of the Secretary at the meeting, the members present at the meeting shall elect any other person as the Secretary of the meeting.

Agendas of the Committee meetings shall be the responsibility of the Chairman of the Committee with input from members of the Committee. The Chairman may also request management to participate in this process. The notice and agenda for each meeting including supporting information shall be circulated at least seven (7) days before each meeting to the members of the Committee and all those who are required to attend the meeting.

6. Quorum, Meetings and Minutes

The quorum for the meeting shall consist of a majority of independent directors and shall not be less than two (2) independent directors. For the purpose of determining whether the quorum for the transaction of the business of the Committee exists in the case of a meeting of Committee, in addition to the members present at the meeting, any member in telephone communication or other electronic means with such meeting shall be counted in the quorum.

The Committee shall meet at least once a year. Additional meetings may be held as considered necessary by the Committee or Chairman. The Committee may request other directors, senior management, counsels, and consultants as applicable to participate in committee meetings, as necessary, to carry out the responsibilities of the Committee.

Notice of any meeting of the Committee may be given by telephone or facsimile and the contemporaneous linking together by telephone or such other electronic communication of a number of the members being not less than the quorum shall be deemed to constitute a meeting of the Committee wherever in the world they are, as long as:

- (a) the quorum of the Committee is met;
- (b) at the commencement of the meeting each member acknowledges the presence thereof to all the other members taking part and such participation shall be deemed to be present in person;
- (c) each of the members taking part is able to hear each of them subject as hereinafter mentioned throughout the meeting;
- (d) the members present at the commencement of the meeting do not leave the meeting by disconnecting the telephone or such other electronic communication, but the meeting shall be deemed to have been conducted validly notwithstanding that a member's telephone or such other electronic communication is accidentally disconnected during the meeting and the proceedings thereof shall be deemed to be as valid as if the telephone or such other electronic communication had not been disconnected;
- (e) all information and documents are made equally available to all participants prior to or at/during the meeting; and
- (f) minutes of the proceedings shall be sufficient evidence thereof and of the observance of all necessary formalities if signed and certified by the Chairman.

Notice of meeting and board papers shall be given to all members of the Committee at least 14 days and seven (7) days respectively before the date of meeting.

The Secretary shall discuss with the Senior Management on the agenda item. The final agenda for the meeting will be approved by the Committee's Chairman or in his absence, by any one (1) of the Committee's members. The Secretary will inform/remind the relevant head of department to submit their report/materials on presentation to him/her at least eight (8) days before the date of meeting. In the case where the subject matter/agenda item is sensitive or otherwise confidential or in a state of flux, the report/materials/paper shall be directly circulated/presented at the meeting.

The decision of the Committee shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote, provided that where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question in issue, the Chairman shall not have a casting vote.

Minutes of each meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and shall be accepted as prima facie evidence without further proof of the facts stated therein. Such minutes of meetings shall be kept by the secretary and distributed to each member of the Committee.

A resolution in writing signed by all the Committee members shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member of the Committee.

The Committee shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Board and at the cost of the Group.

The Committee, through its Chairman, shall report to the Board at the next Board meeting after each Committee meeting. When presenting any recommendation to the Board, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision. The Committee shall provide such information to the Board as necessary to assist the Board in making a disclosure in the annual report in accordance with the Malaysian Code on Corporate Governance and Listing Requirements of Bursa Malaysia Securities Berhad.

The Chairman of the Committee shall be available to answer questions about the work of the Committee at the annual general meeting of the Company.

7. Authorities and Duties

The authorities and duties of the Committee are to:

- (a) determine the criteria for Board membership, including qualities, experience, skills, education and other factors that will best qualify a nominee to serve on the Board;
- (b) determine the core competencies and skills required of Board members to best serve the business and operations of the Group as a whole and the optimum size and composition of the Board to reflect the desired board balance, skills and competencies;
- (c) review the size of non-executive participation, Board balance and determine if additional Board members are required and also to ensure that at least one-third (1/3) of the Board is independent;
- (d) review annually and recommend to the Board of Directors with regards to the structure, size, balance and composition of the Board and Committees including the required mix of skills and experience, core competencies which non-executive directors should bring to the Board and other qualities to function effectively and efficiently;

- (e) select, consider, evaluate and propose to the Board of Directors any new Board appointments, whether of executive or non-executive position. In making a recommendation to the Board of Directors on the candidates for directorship proposed by the Managing Director or shareholders or any senior executive or any director, the Committee shall have regard to:
- size, composition, mix of skills and other qualities of the existing Board, level of commitment, resources, character, experience, integrity, competence and time that the recommended candidate can contribute to the existing Board; and
 - the Malaysian Code on Corporate Governance and Listing Requirements which stipulates that non-executive directors should be persons of calibre, credibility and have the necessary skill and experience to bring an independent judgement to bear on issues considered by the Board and that independent non-executive directors should make up at least one-third of the membership of the Board;
- (f) propose to the Board of Directors the responsibilities of non-executive directors, including membership and Chairmanship of Board Committees;
- (g) evaluate and recommend the appointment of senior executive positions, including that of the Managing Director or Chief Executive Officer and their duties and the continuation (or not) of their service;
- (h) establish and implement processes for assessing the effectiveness of the Board as a whole, the Committees of the Board and for assessing the contribution of each director;
- (i) evaluate on an annual basis:
- the effectiveness of each director's ability to contribute to the effectiveness of the Board and the relevant Board Committees and to provide the necessary feedback to directors in respect of their performance;
 - the effectiveness of the Committees of the Board; and
 - the effectiveness of the Board as a whole;
- (j) recommend to the Board of Directors:
- whether directors who are retiring by rotation should be put forward for re-election;
 - whether directors who is of or over the age of seventy (70) should be put forward for appointment or re-appointment;
 - termination of membership of individual directors in accordance with policy, for cause or other appropriate reasons; and
 - whether to retain the independent director who has served the Company for nine (9) years.
- (k) establish appropriate plans for succession at Board level, and if appropriate, at senior management level and to determine training needs and programmes for director;
- (l) provide for adequate training and orientation of new directors with respect to the business, structure and management of the Group as well as the expectations of the Board with regards to their contribution to the Board and Company;

- (m) introduce regulations or guidelines, procedures to function effectively and fulfill the objectives of Committee, if any;
- (n) to evaluate for the purpose of ensuring that each of its director chief executive or chief financial officer has the character, experience, integrity, competence and time to effectively discharge his role as a director, chief executive or chief financial officer, as the case may be, of Rimbunan Sawit Berhad;

“chief executive” and “chief financial officer” are those defined in the Listing Requirements;
- (o) to develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors. To undertake annual assessment of the independence of independent directors;
- (p) to establish and review a policy formalising the Board’s approach to boardroom diversity; and
- (q) consider other matters as referred to the Committee by the Board of Directors.

8. Review of Committee

The Board shall review the term of office, performance and effectiveness of Committee and each of its members annually to determine whether the Committee and its members have carried out their duties in accordance with their term of reference.