

KEJURUTERAAN SAMUDRA TIMUR BERHAD

(Company No. 142241-X)

(Incorporated in Malaysia)

TERMS OF REFERENCE OF NOMINATION COMMITTEE

(Revised and adopted on 27 April 2016)

1. Objectives

The principal objective of the Nomination Committee is to assist the Board of Directors in their responsibilities in nominating new nominees to the Board of Directors and ensure that the Board composition meets the needs of the Company. The Nomination Committee shall also assess the Directors of the Company on an on-going basis.

2. Composition of members

The Board of Directors shall elect the Nomination Committee members from amongst themselves, composed exclusively of Non-Executive Directors, a majority of whom are independent.

3. Chairman

The Chairman of the Nomination Committee shall be elected from amongst the Nomination Committee members. The Chairman of the Committee shall be approved by the Board of Directors.

4. Secretaries

The Secretaries of the Nomination Committee shall be the Company Secretaries of the Company.

5. Meetings

The Nomination Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

The Secretaries shall on the requisition of the members of the Nomination Committee summon a meeting of the Nomination Committee except in the case of an emergency, reasonable notice of every Nomination Committee meeting shall be given in writing.

In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the meeting.

6. Quorum

A quorum shall consist of two (2) members.

7. Circular Resolution

A resolution in writing signed or approved by letter, telex or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as "Nomination Committee Members'

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Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretaries without delay and shall be recorded by the Company Secretaries in the minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

8. Authority

The Nomination Committee shall, in accordance with a procedure or process to be determined by the Board of Directors and at the expense of the Company,

- (a) annually review the required mix of skills and experience and other qualities, including core competencies which Non-Executive and Executive Directors should have.
- (b) assess on an annual basis, the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual Director.
- (c) assess on an annual basis, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Directors' re-designation as a Non-Independent Director. To retain as Independent Director, the Board must justify and seek shareholders' approval for a person who has served in that capacity for more than nine (9) years.
- (d) be entitled to the services of the Company Secretaries who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Listing Requirements of Bursa Malaysia Securities Berhad or other regulatory requirements.

9. Duties and Responsibilities

The duties and responsibilities of the Nomination Committee are as follows:-

- To recommend to the Board of Directors, candidates for all directorships to be filled by the Shareholders or the Board of Directors. In making its recommendations, the Nomination Committee should consider the following attributes of candidates:-
 - skills, knowledge, expertise and experience;
 - professionalism;
 - integrity;
 - competencies, commitment, contribution and performance; and
 - in the case of the candidates for the position of Independent Non-Executive Directors, the Nomination Committee would also evaluate the candidates' ability to discharge such responsibilities, functions as expected from Independent Non-Executive Directors.

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- To consider, in making its recommendations, candidates for 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 take steps to ensure that women candidates are sought as part of its recruitment exercise.
- To recommend to the Board of Directors the nominees to fill the seats on the Board Committees.
- To assess the effectiveness of the Board of Directors as a whole and each individual Director/committee of the Board. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions would be properly documented.
- To review the terms of office and performance of the Audit Committee and each of its members annually to determine whether such Audit Committee and its members have carried out their duties in accordance with the terms of reference.
- To act in line with the directions of the Board of Directors.
- To consider and examine such other matters as the Nomination Committee considers appropriate.
- To review the Board's succession planning.
- To ensure that orientation and education programmes are provided for new members of the Board and to review the Directors' continuing education programmes for existing members of the Board.