



**DIGI.COM BERHAD (COMPANY NO. 425190-X)  
TERMS OF REFERENCE OF NOMINATION COMMITTEE**

**DEFINITIONS**

“Digi” or “Company”	:	Digi.Com Berhad
“Board”	:	Board of Directors of Digi
“Group”	:	Digi and its subsidiaries

**1.0 Composition**

The Nomination Committee shall have **at least three (3) members, all of whom shall be Non-Executive Directors with the majority being independent directors.** The Chairman of the Nomination Committee shall be an Independent Non-Executive Director. The Chairman and the members shall be appointed by the Board. The appointment of a Committee member terminates when the member ceases to be a Director, or as determined by the Board.

**2.0 Authority**

The Committee shall have access to such information and/or appropriate professional advice, both from within the Group and externally on any matters within its terms of reference, as it deems necessary or appropriate in discharging its responsibilities in accordance with the procedures determined by the Board and at the cost of the Group.

The Committee may request other directors, members of Management, counsels, consultants as applicable, to participate in Committee meetings, as necessary, to carry out the Committee’s responsibilities.

**3.0 Duties and Responsibilities**

The duties and responsibilities of the Nomination Committee shall include the following:-



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- 3.1 Lead the process to identify and nominate suitable candidates for appointment to the Board to fill Board vacancies as and when they arise. Candidates for directorships proposed by the Chief Executive Officer (“CEO”) and, within the bounds of practicability, by any other senior executive or any director or shareholder shall be considered by the Committee;
- 3.2 Establish the criteria for Board membership required for a particular appointment including experience, skills, knowledge, expertise, professionalism, background, character, integrity, competence, commitment (including time commitment), contribution and performance, boardroom diversity (including gender, age and ethnic diversity) and other factors having regard to the leadership needs of the Company. In the case of candidates for the position of Independent Non-Executive Directors, the Committee shall also evaluate the candidate’s ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors;
- 3.3 Develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors. The Board nomination and election process as well as the criteria used in the selection process and the assessment undertaken in respect of the Board, committees and individual director should be disclosed in the Annual Report;
- 3.4 Evaluate and recommend to the Board of candidates for appointment as directors, whether of executive or non-executive position;
- 3.5 Evaluate and recommend to the Board the candidates for the position of Independent Non-Executive Directors, having regard to their ability to discharge responsibilities/functions as expected from Independent Directors;
- 3.6 Evaluate and recommend the appointment, promotion, transfer and dismissal of the managing director or Chief Executive Officer and the executive directors and their duties;
- 3.7 Recommend to the Board the nomination of directors and Chairman to fill the seats on Board Committees;
- 3.8 Evaluate and recommend to the Board for re-appointment of any non-executive director at the conclusion of his or her specified term of office, re-election of any director under the retirement by rotation provision in the Company’s Constitution



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having regard to their performance and contributions to the Board as well as the removal of directors;

- 3.9 Review regularly the structure, size, balance and composition of the Board and Committees including the required mix of skills, knowledge and experience, the independence of the Non-Executive Directors and Board diversity in terms of gender and age to competently discharge their duties and recommend to the Board with regard to any change;
- 3.10 Establish and implement processes for assessing the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each director, including his time commitment, character, experience and integrity. All assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented;
- 3.11 Review and recommend the outcome of the evaluations and assessments to the Board concerning to the areas for continuous improvement.
- 3.12 Review annually:-
- (i) the required mix of skills, experience and other qualities of the Board, including core competencies which Non-Executive Directors should bring to the Board. This activity shall be disclosed in the Annual Report;
  - (ii) the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each director including his time commitment, character, experience and integrity;
  - (iii) the term of office and performance of the Audit & Risk Committee and each of its members to determine whether they have carried out their duties in accordance with their terms of reference;
  - (iv) the effectiveness and performance of the Chief Executive Officer and Chief Financial Officer including their character, experience, integrity, competence and time to effectively discharge their respective roles; and
  - (v) the independence of its Independent Directors;
- 3.13 Oversee and review the Board succession plan including the succession of Chairman in order to maintain an appropriate balance of skills, knowledge and experience;



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- 3.14 Ensure induction programme is in place for newly appointed directors with respect to the business, structure and management of the Group as well as the expectations of the Board with regard to their contribution to the Board and Group. If appropriate, the Committee shall arrange for further training;
- 3.15 Assess the training needs of each Director; review the fulfillment of such training and disclose details in the Annual Report as appropriate;
- 3.16 To consider other matters as referred to the Committee by the Board.

**4.0 Meetings**

**4.1 Frequency of Meetings**

The Committee shall meet at least once a year. Additional meetings shall be scheduled as considered necessary by the Committee or Chairman of the Committee.

**4.2 Quorum and Proceedings of Meeting**

- 4.2.1 The quorum for a meeting of the Committee shall be at least two (2) members, of which one should be an Independent Director. In the absence of the Chairman of the Committee, the members present shall elect one of their members to chair the meeting.
- 4.2.2 Matters arising at any Meeting shall be decided by a majority vote, each member having one (1) vote. In the event of equality of votes, the Chairman of the Committee shall have a casting vote. However, at Meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairman will not have a casting vote.
- 4.2.3 The Committee may conduct its meeting to include participation thereat by any member or invitee via video or teleconferencing or any other means of audio or audio – visual communications.
- 4.2.4 A resolution in writing, signed by all members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any



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such resolution may consist of several documents in like form, each signed by one or more Committee members.

**5.0 Secretary and Notice of Meetings**

5.1 The Secretary of the Committee shall be appointed by the Committee from time to time. The Committee meeting agendas shall be the responsibility of the Committee Chairman with input from Committee members. The Chairman may also ask management to participate in this process.

5.2 The Notice and agenda for each meeting shall unless otherwise agreed to by the members, be circulated at least seven (7) days before each meeting to the Committee members and all those who are required to attend the meeting.

**6.0 Minutes of Meeting**

6.1 The draft minutes of each Committee meeting are to be reviewed by the Chairman and circulated to all Committee members by the Company Secretary as soon as practicable but no later than the distribution date for papers for the next Nomination Committee meeting at which the minutes of the meeting are to be confirmed.

6.2 The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes 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 if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes of the Committee meeting shall be circulated to all Board members.

**7.0 Procedures when appointing new directors**

7.1 The Board follows formal and transparent procedures when appointing directors, as follows:-

- (i) The Committee shall prepare descriptions of the director characteristics the Board is looking for in a new appointment.
- (ii) The Committee will seek professional advice as and when it considers necessary to identify a short-list of suitable candidates and a list of nominations for



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candidates proposed by the CEO, and within the bounds of practicability, by any other senior executive, director or shareholder for considerations.

- (iii) All the candidates are interviewed by at least two members of the Committee together with other directors whose evaluations will be circulated to all the members of Nomination Committee. A target appointment date is then fixed.
- (iv) The Committee will then have to make a majority decision in recommending the appointment to the Board.
- (v) The Board will then decide on the best candidate by ballot or majority decision and a Board resolution will be passed to appoint the candidate.

The Committee shall regulate its own procedure to be followed in the discharge of its duties and responsibilities set out in section 3 above. The regulation and implementation of such procedures shall, as far as circumstances permit be in keeping with the principles and requirements of the Malaysian Code on Corporate Governance.

**8.0 Reporting Responsibilities**

8.1 The Committee, through its Chairman, shall report to the Board at the next Board of Directors' meeting on its proceedings on all matters within its duties and responsibilities 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.

8.2 The Chairman shall report to the Board, summarizing the Committee's activities in the discharge of its duties during the financial year and the related significant results and findings thereof, including details of relevant training attended by each Committee member.

**8.0 Annual General Meeting**

8.1 The Chairman of the Committee shall be available to answer questions about the Committee's work at the Annual General Meeting of the Company.

**9.0 Other**



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9.1 The Committee shall review its own performance and terms of reference regularly to ensure it is operating at maximum effectiveness and recommend any change it considers necessary to the Board for approval.

9.2 Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third parties, shall first be presented to the Board for its approval. Upon the Board's approval, the said revision/amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised/amended.

**10.0 Approval**

10.1 This Terms of Reference was reviewed and approved by the Board of Directors on 13 March 2017.