

**SERN KOU RESOURCES BERHAD
COMPANY NO. 519103-X**

TERMS OF REFERENCE OF NOMINATION COMMITTEE

Members

1. Dr Tan Chee Huat (Chairman) (Independent Non-Executive Director);
2. Datuk Dr Haris Bin Hj Salleh (Independent Non-Executive Director); and
3. Datuk Tay Puay Chuan (Independent Non-Executive Director).

The terms of reference are as follows:-

Composition

The Nomination Committee shall be appointed from amongst the Board and shall:-

- (i) comprise no fewer than two (2) members; and
- (ii) comprise exclusively non-executive directors, a majority of whom are independent.

Purpose

- Ensuring a formal and transparent procedure for the appointment of new directors to the Board.
- Recommend to the Board, candidates for all directorships and on board committees.
- Selecting, compensating, monitoring and overseeing succession planning.

Duties

1. To recommend to the Board, candidates for directorships. In making its recommendations, to consider the candidates' skills, knowledge, expertise and experience; professionalism; integrity; and in the case of candidate for the position of independent non-executive directors, to evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.
2. To recommend the Directors to sit on respective Board committees.
3. To administer the annual assessment of Directors, including a review of the skill, qualification and competencies of the Board as a whole, the Committees of the Board and for assessing the contribution of each individual director, including independent non-executive directors, as well as the chief executive officer and chief financial officer. All assessments and evaluations carried out shall be properly documented and on annual basis.
4. To review the terms of office and performance of an audit committee and each of its members annually to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.
5. To identify suitable orientation, educational and training programmes for continuous development of Directors
6. To ensure that all Directors receive appropriate continuous training programmes in order to keep abreast with developments in the industry and with changes in the relevant statutory and regulatory requirements.

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In developing its procedures and making recommendations to the Board, the Nomination Committee will take into account of:

- (a) the provisions in the Company's Articles of Association, the Companies Act, 1965, the Bursa Malaysia Securities Berhad Listing Requirements and other laws and regulations, if any, in respect of the appointment, removal, etc of directors;
- (b) the need for the Board to operate an open and transparent appointment process. This may include public advertisement or direct approaches being made to individuals who may be suitable or organizations that may be able to advise; and
- (c) the overall composition and balance of the Board.

Meetings

- The Committee shall meet as required, and report to the Board of Directors after each meeting.
- The quorum for a meeting shall be two (2) members.
- The Committee is allowed to exercise control on matters that require the Committee's recommendation through disseminate of Committee Circular Resolution.