



## **GOLDEN LAND BERHAD**

(Company No. 298367-A)

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### **POLICY ON NOMINATION AND ASSESSMENT PROCESS OF BOARD MEMBERS**

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#### **PURPOSE**

The purpose of this policy on Nomination and Assessment Process of Directors is to describe the process to be undertaken by the Company's Nomination Committee ("NC") and Board in discharging their responsibilities in terms of the nomination, assessment and re-election of Board members in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and Malaysian Code on Corporate Governance 2017 ("MCCG 2017"). The Policy is administered by the NC.

#### **BOARD MEMBERSHIP CRITERIA**

The Nomination Committee has been delegated with the responsibilities to propose candidates to the Board and Board Committees.

The NC shall take into account all of the following criteria and any other criteria which the NC deems necessary, when determining the qualification of any candidate for Director:

- i. Integrity and Judgment  
Directors should have the highest level of integrity. Ethical character and the ability to exercise sound business judgment on a broad range of issue consistent with the Company's values.
- ii. Knowledge  
Directors should be financially literate and have a sound understanding of business strategy, corporate governance and board operations.
- iii. Diversity  
In considering the diversity of the Board, the NC should take into consideration of ethnicity, age, and gender as stipulated in the Company's Diversity Policy. In addition, the

NC shall also take into account diversity in professional experience, skills, background and perspective.

iv. **Commitment**

Directors should devote sufficient time to carry out their responsibilities, regularly update their knowledge and enhance their skills. While the Board would not specify the actual time commitment for the membership in the Company's Board and Board Committees, the Directors appointed are expected to have active participation in, meetings of the Board and the Board's committees of which he/she is a member, and not have other personal or professional commitment that would, in the NC's sole judgment, interfere with or limit his/her ability to do so.

A Director should not hold more than 5 directorships in listed issuers to ensure that he/she would be able to devote sufficient time and committee to the Company

v. **Independent Judgment**

Directors who are not the existing or former management should meet the spirit as well as the letter of the applicable independence standards. In addition, all Directors should be independent in their thought and judgment so that they represent the long-term interests of all shareholders of the Company.

vi. **Performance and Contribution**

Directors are expected to contribute positively to the Board as a whole in leading the Company towards achievement of its mission, vision and strategies. For the proposed candidate, this will be assessed through his/her skills, previous experience and accomplishments, etc.

vii. **Experience and Accomplishments**

Directors should have significant experience and proven superior performance in professional endeavours whether this experience is in business, government, academia or with non-profit organizations.

viii. **Board Interaction**

Directors should value board and team performance over individual performance, demonstrate respect for others and facilitate superior board performance. Directors must be able to develop a good working relationship with other Board members and contribute to the Board's working relationship with Senior Management of the Company.

## **BOARD SIZE AND COMPOSITION**

The Board must be of such composition and size that they facilitate the making of informed and critical decisions. Unless otherwise determined by the Company in general meeting, the number of Directors must not be less than 2 nor more than 12.

The Board composition should comprise at least 2 directors or 1/3 of the board of directors, whichever is higher, independent directors in compliance with Paragraph 15.02 of the Listing

Requirements. If the number of directors of the listed issuer is not 3 or a multiple of 3, then the number nearest 1/3 must be used.

The board must comprise a majority of independent directors where the chairman of the board is not an independent director to adhere to the recommendation stated in MCCG 2017. Where there is non-adherence, the Board shall justify accordingly and report the same in the annual report.

## **APPOINTMENT OF NEW DIRECTORS**

The NC is responsible for recommending identified candidates to the Board to fill vacancies arising from resignation, retirement or any other reasons or if there is a need to appoint additional directors with the required skill or profession to the Board in order to close the competency gap in the Board as identified by the NC. The potential candidate may be proposed by existing Directors, Senior Management staff, shareholders, third party referrals or by professional recruitment agency.

Upon receipt of the proposal, the NC is responsible for conducting an assessment and evaluation of the proposed candidate. The assessment/evaluation process may include, at the NC's discretion, reviewing the candidate's resume, curriculum vitae and other biographical information and confirming the candidate's qualifications as well as a formal or informal interview. The NC would also assess the proposed candidate based on the criteria as set out in section 2 above or any other criteria which the NC deems appropriate.

For an Independent Director position, additional assessment on independence based on Appendix I attached herewith would need to be carried out.

Upon completion of the assessment and evaluation of the proposed candidate, the NC would make its recommendation to the Board. Based on the recommendation of the NC, the Board would evaluate and decide on the appointment of the proposed candidate.

The Chairman of the Board would then make an invitation or offer to the proposed/potential candidate to join the Board as a Director. With the acceptance of the offer/invitation, the candidate would be appointed as Director of the Company subject to the necessary documentation and filings required under the Listing Requirements and Companies Act, 2016 ("CA").

The process for the appointment of new director is summarized as below:

Step 1	Candidate Identification  It can be identified on the recommendation of the existing Directors, Senior Management staff, shareholders or third party referrals.
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Step 2	<p>Assessment and evaluation to be conducted by the NC</p> <p>The assessment should be conducted based on the following criteria:-</p> <ul style="list-style-type: none"> <li>(i) Integrity and Judgment</li> <li>(ii) Knowledge</li> <li>(iii) Diversity</li> <li>(iv) Commitment</li> <li>(v) Independent Judgment</li> <li>(vi) Performance and Contribution</li> <li>(vii) Experience and Accomplishments</li> <li>(viii) Board interaction</li> <li>(ix) Any other criteria deemed fit</li> </ul> <p>For an Independent Director position, additional assessment on independence would need to be carried out.</p> <p>The NC would also need to consider the size and composition of the Board to be in compliance with Listing Requirements and MCCG 2017 and to facilitate the making of informed and critical decisions.</p>
Step 3	Recommendation to be made by NC to the Board
Step 4	Discussion and decision to be made by the Board on the proposed new appointment
Step 5	<p>If the proposed appointment is approved: Invitation or offer to be made to the proposed/potential candidate to join the Board.</p> <p>If the proposed appointment is rejected: The whole process to be recommenced.</p>

## ANNUAL ASSESSMENT OF EXISTING DIRECTORS

The NC will conduct an assessment annually in respect of the Board, Board Committees and individual Directors. The relevant assessment forms would be circulated to all/part of the Directors, as the case maybe. For completion and the NC will discuss the findings and make necessary recommendations (such as re-election, re-appointment, etc.) to the Board in relation thereto.

The NC, in carrying out the annual assessment, should consider the Company's performance, the Board's performance as a whole and that of its individual directors. The NC should ensure that the annual assessment is being conducted effectively towards ensuring that the Board composition meets the needs of the Company.

Upon assessing the Board and Board Committee(s) in each financial year, the NC shall propose the relevant training requirements for the Board members in the next financial year.

## **ASSESSMENT ON INDEPENDENCE OF DIRECTORS**

### Annual Assessment

The NC will conduct an annual assessment on the independence of the Independence Directors of the Company based on the criteria set out in the Listing Requirements, MCGG 2017 and any other relevant rules and regulations. Each individual Independent Director would be required to make a declaration on the compliance of the criteria of Independent Director by completing the independence checklist as per Appendix I. All other Directors would be required to complete the Assessment Form - Independent Director as per Appendix II in order to assess the independence of the particular Independent Director.

### Independent Director who has served more than 9 years

An Independent Director who has served as a Board member for a term of more than 9 years (cumulatively), shall be re-designated as Non-Independent Director, if he/she continues to serve as a Board member. If the Company wishes to retain such Director as an Independent director, the Board is required to provide strong justifications to shareholders for their approval at a general meeting in order to do so.

If the Company wishes to retain the said Independent Director after a 12-year tenure, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process.

### Assessment process of NC

The NC and Board, in its evaluation of the Independent Directors, must give effect to the spirit, intention and purpose of the definition of 'Independent Director' in the Listing Requirements. If a person does fall within any of the paragraphs of the said definition, it does not mean that the person will automatically qualify to be an independent director. The director concerned as well as the board of directors of the Company must still apply the test of whether the said director is able to exercise independent judgment and act in the best interest of the Company.

Upon completion of the assessment process, the NC will make the necessary recommendations to the Board for final decision.

## **REVIEW OF POLICY**

The Policy on Nomination and Assessment Process of Board Member has been approved by the Board and the Board members will be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

At any one time, should the Listing Requirements or the CA be amended for any reason whatsoever, the amendment of which affects the contents of this Policy, the amended Listing Requirements or CA shall take precedence over the policy.

6 December 2017