

# MASOOD TEXTILE MILLS LIMITED

## TERMS OF REFERENCE (TORs)

Following are the terms of reference of Nomination Committee:

- To recommend the Board of Directors, candidates for all directorships to be filled by the shareholders or the Board of Directors. In making its recommendations, the NRC should consider the following attributes of the candidates:
    - age and gender;
    - skills, knowledge, expertise and experience, background and character;
    - professionalism, competence and commitment (including time commitment);
    - integrity; and
  - in the case of candidates for the position of Independent Non-Executive Directors, the Committee should evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
  - To review regularly the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary and to recommend directors to committees of Board.
  - To evaluate, propose and recommend candidates for the approval of the Board to fill Board vacancies as and when the needs arise, relying on sources from existing Board members, Management, major shareholders or independent sources.
  - To review the required mix of skills, knowledge and experience and other qualities, including core competencies which non-executive directors should bring to the Board.
  - To evaluate and recommend the appointment, promotion, transfer and dismissal of Chief Executive / Executive Director / Chief Financial Officer etc.
  - To review and evaluate the effectiveness and performance of the Chief Executive / Executive Director / Chief Financial Officer including character, experience, integrity, competence and time to effectively discharge his role.
  - To establish and implement processes for carrying out annual assessment on the effectiveness of the Board as a whole, committees of the Board and contribution of each individual Director, including Independent Non-Executive Director, Managing Director, Chief Executive and Executive Director. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions should be properly documented.
  - To assess annually, the independence of the Independent Directors. The assessment should take into consideration the criteria laid out in the Listing Requirements and such other factors as the Nomination Committee determines appropriate to take into account in determining whether the Director is independent of management; and free of any business or other relationship that could materially interfere with, or could be perceived to materially interfere with, the exercise of their unfettered and independent judgement.
  - To consider and recommend to the Board whether any of the Independent Directors who has served the Board for a cumulative period of more than nine (9) years, should continue to be retained as an Independent Director or otherwise.
  - To review and recommend the outcome of the evaluations and assessments to the Board concerning the areas for continuous improvement.
    - To recommend Directors who are retiring by rotation to be put forward for re-election.
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- To review annually the term of office and performance of Committees and each of its members to determine whether they have carried out their duties in accordance with their terms of reference.
  - To oversee and review the Board's succession plan including the succession of Chairman of the Board and Chief Executive in order to maintain an appropriate balance of skills, knowledge and experience.
  - To ensure induction programme is in place for newly appointed Directors with respect to the business, structure and management of the Company as well as the expectations of the Board with regard to their contribution to the Board and the Company.
  - To review the training needs of Directors and ensure that all Directors receive appropriate continuous training programmes in order to broaden their perspective and to keep abreast with development in the market place and of the new statutory regulatory requirements.
  - To formulate or review the policy and procedures for remuneration of the Chairman, Board members and Chief Executive, to be aligned with their responsibilities and contributions including scope of service agreements, terms of employment or contract of employment / service, benefits, pension or incentive scheme entitlement, bonuses, fees and expenses and any compensation payable on termination of employment/service contract by the Company and/or the Group and to review for changes to the policy, as necessary, and recommend the same to the Board for approval.
  - To review and recommend the remuneration package of the Non-Executive Directors including Non-Executive Chairman to the Board. The individuals concerned shall abstain from discussion of their own remuneration.
  - To ensure that the remuneration framework for senior management and other employees are in place and structured to ensure that reward is measurably linked to individual's performance, skills, experience and level of responsibilities.
  - To recommend to the Board any performance related pay schemes for the Company or Group.
  - To oversee any major changes in employee remuneration and benefit structures throughout the Company or Group.
  - To recommend to the Board the employment of the services of such advisers as it deems necessary to fulfill its responsibilities.
  - To carry out such other duties or functions as may be delegated by the Board from time to time or required by the regulatory authority.
  - To consider and examine such matters as the committee considers appropriate.
  - Undertake annually a formal process of evaluation of performance of the board as a whole and its committees. The process of performance evaluation shall be undertaken directly.
  - Recommend to the board the selection, evaluation, development, compensation (including retirement benefits) of Executive Directors (ED), Chief Financial Officer (CFO), Chief Executive Officer (CEO), Company Secretary and Head of Internal Audit.
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