Mizuho Bank (Malaysia) Berhad

Company Registration No. 201001039768(923693-H)

TERMS OF REFERENCE

BOARD NOMINATION COMMITTEE

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TERMS OF REFERENCE OF THE BOARD NOMINATION COMMITTEE

1 OBJECTIVE

1.1 The objective of the Terms of Reference ("**TOR**") is to set out the principal roles and responsibilities of the Board Nomination Committee ("**BNC**"), procedures for governing the meetings and decision making process of the BNC in accordance with the authority granted by the Board, the principles of good governance set out in the policy documents and guidelines issued by Bank Negara Malaysia ("**BNM**") and other relevant regulatory authorities. This TOR shall be read together with the Board Charter and TOR of the Board.

2 AUTHORITY

2.1 The BNC is authorised by the Board to act within its TOR and shall be vested with such power and authority to undertake and implement its duties and responsibilities as set out in its TOR, to obtain the resources which it requires, including but not limited to obtaining independent professional advice, if necessary, at the Bank's expense, and to have full and unrestricted access to information to enable the BNC to fulfill its objectives.

3 PRINCIPAL ROLES AND RESPONSIBILITIES

3.1 Pursuant to the mandate granted via the Constitution of MBM, BNC is formed with the objective to assist the Board in developing, maintaining and reviewing matters with regard to human resource, talent management, succession planning, corporate value and ethical behaviour of the Directors and employees of the Bank.

3.2 Where the laws or the Constitution of MBM require the matter to be tabled, reported, assessed or approved by the Board, the same shall be governed under the Board Reserved Matters. Under the Board Reserved Matters, the Board shall have the sole authority to approve/decide on the matters stated therein. The BNC shall be responsible to oversee, review/assess and recommend the matters for the Board's decision.

3.3 The duties and responsibilities of BNC shall include the following and the BNC may be mandated by the Board to decide/approve on the matters stated below. For avoidance of doubt, this mandate shall not be sub-delegated by BNC unless otherwise approved by the Board:-

3.3.1 Appointment/Reappointment/Removal

(i) Establish, review and recommend the policies or procedures for the appointment/reappointment and the removal of Directors, Shariah Committee Members, Senior Officers* and Company Secretary for approval by the Board.

(ii) Assess and recommend for Board's approval the appointment/reappointment and the removal of Directors and Shariah Committee Members.

(iii) Review and recommend for Board's approval the recruitment, appointment, promotion, confirmation and termination of service of Senior Officers and Company Secretary of the Bank.

For proposals involving the Chief Risk Officer (**"CRO"**), the Chief Compliance Officer (**"CCO"**) and the Chief Internal Audit (**"CIA"**) shall be endorsed by the Board Risk Management and the Board Audit Committee respectively. The interview process with the BNC Members for the initial appointment of Senior Officers and Company Secretary should be conducted by a minimum of two (2) BNC Members, and the remuneration package for the initial appointment should be presented to Board Remuneration Committee for review.

(iv) Recommend for the consideration of the Board, the removal of a Director/Senior Officers/Company Secretary if he/she is ineffective, errant or negligent in discharging his/her responsibilities.

Note:
"Senior Officers" refer to the Chief Executive Officer ("CEO"), Deputy CEOs, Chief Operating Officer, CRO, COO, CIA and Head of Human Resources Section and shall automatically include any amendments made under the "Qualification, Fit and Proper Policy" as approved by the Board from time to time.

3.3.2 Composition

(v) Review and recommend to the Board on the overall composition of the Board, Board Committees and Shariah Committee in terms of size, qualification and specific competencies.

(vi) Review the criteria, mixture of competencies, skill sets and experience required for the Board, both individually and collectively, to ensure conformity to relevant regulatory requirements, the strategic direction and emerging challenges faced by the Bank.

3.3.3 Performance Evaluation and Development

(vii) Establish, review and recommend for Board's approval a framework to govern the formal assessment of the effectiveness of the Board, Board Committees, Shariah Committee, individual director, Senior Officers and Company Secretary.

(viii) Conduct an annual evaluation of the Board to objectively assess the overall performance and effectiveness of the Board, Board Committees and individual directors.

(ix) Conduct an annual evaluation of the Shariah Committee to objectively assess the overall performance and effectiveness of the Shariah Committee and individual member.

(x) Assess annually the key performance indicators and performance assessment of Senior Officers and Company Secretary in accordance with the respective procedures or guidelines of the Bank and make appropriate recommendations to the Board.

(xi) Assess annually the independence of Independent Directors to ensure the Independent Directors meet the independence criteria and are not disqualified under relevant regulations.

(xii) Assess annually the fitness and propriety of Directors, Shariah Committee Members, Senior Officers and Company Secretary of the Bank in accordance with the Bank's Qualification, Fit and Proper Policy to ensure that they are not disqualified and comply with the fit and proper requirements as may be specified under the Financial Services Act 2013 and other relevant regulations and to make the necessary recommendation to the Board for approval.

(xiii) Oversee the succession planning for the Board, Shariah Committee, Senior Officers and/or Company Secretary, as deemed appropriate.

(xiv) Ensure Directors receive appropriate and continuous training to keep abreast of the latest development in the industry.

3.3.4 Others

(xv) Recommend to the Board, a Performance Management Framework including the setting of the appropriate performance target parameters and benchmark for the Bank's Balanced Scorecard at the start of each financial year.

(xvi) Assess and recommend the appointment, reappointment and annual performance assessment of Expatriate Staff*, for Board's approval/notation (whichever applicable).

For avoidance of doubt, the cessation, composition, qualification and fit and proper criteria evaluation and performance assessment of the Expatriate Staff may be delegated to the CEO and the matters shall be reported to the BNC through Human Resource Reporting.

Note:
**"Expatriate Staff" refer to any expatriate staff whose appointment or reappointment requires the BNC's resolution to support their approval application to BNM but shall exclude any officer who is specifically governed under this TOR.*

(xvii) Review and recommend for Board's approval key policies, framework and any other regulatory reporting as may be required by regulators with regard to human resource, talent management, succession planning, corporate value and ethical behavior of employees of MBM.

(xviii) Oversee, review and recommend for Board's approval the following matters:-

(a) Any material changes made to the organisation and reporting structure of the Bank, job grade and classification, particularly on the control function sections i.e. Internal Audit Section, Risk Management Section and Compliance Section.
(b) Any revision made on the definition of Senior Officers of MBM.
(c) Any human resource, talent management, succession planning or matters that are subjected to the approval of MBM's Shareholder.

(xix) Receive and review Human Resource Reports, which include but not limited to the status on talent management, succession planning, employee attrition, staff recruitment and consequence management cases.

(xx) Any such other matters as may be delegated by the Board from time to time.

4 SIZE AND COMPOSITION

4.1 The BNC must consist of at least three (3) Directors, majority of the whom must be Independent Directors and the BNC may have Executive Director in its membership.

4.2 The BNC Members must have the skills, knowledge and experience relevant to the responsibilities of BNC. The BNC Member must maintain a sound understanding of the business of MBM as well as relevant market and regulatory developments including a commitment to ongoing education.

5 CHAIRMAN

5.1 The Board shall appoint the Chairman of the BNC ("**BNC Chairman**") and the person so appointed must be an Independent Director and must not be the Chairman of the Board.

5.2 In the absence of the BNC Chairman, the remaining BNC Members present shall elect an Independent Director among themselves to chair the BNC meeting.

6 SECRETARY

6.1 The Company Secretary of MBM or his/her nominee approved by the BNC shall act as the Secretary of the BNC.

7 FREQUENCY

7.1 The BNC meeting shall be held at least two (2) times in each financial year or at any such interval or number of time(s) as the BNC may deem necessary to fulfill its responsibilities.

8 ATTENDANCE

8.1 The BNC Member must attend at least 75% of the BNC meetings held in each financial year. The BNC Member shall not appoint another person to attend or participate in BNC meeting on his/her behalf.

8.2 The BNC Members may participate in a meeting by means of conference telephone or similar electronic tele-communicating equipment by means of which all persons participating in the meeting can hear each other and participate throughout the duration of the meeting. The participation in such meetings shall constitute attendance of the BNC members at such meeting. However, attendance at BNC meetings, by way other than physical presence, must remain the exception rather than the norm.

8.3 The BNC may invite any other Director or any other person to attend the meetings as and when the BNC may deem appropriate and necessary.

9 QUORUM

9.1 The quorum for the BNC meeting shall be a minimum of three (3) BNC Members or sixty percent (60%) of the total number of the BNC Members, whichever is higher, of which at least one (1) of such BNC Member in attendance must be a non-Independent Director.

10 NOTICE

10.1 The BNC meeting may be summoned by the Chairman of BNC or by the Secretary on requisition of BNC Member. The BNC shall determine the time and place of the BNC meeting.

10.2 A reasonable prior written Notice of meeting shall be given to each BNC Member, preferably (7) days before the date of the BNC meeting. The Notice of meeting may be waived subject to the consent of all BNC Members.

11 AGENDA AND PAPERS

11.1 The Secretary, in consultation with the BNC Chairman, shall draw up the BNC meeting agenda (together with the associated material) for circulation to each BNC Member, preferably seven (7) days before the date of the BNC meeting.

11.2 The BNC papers, proposals and reports shall clearly address the background, objective, key issues, key considerations/rationale, impact and other relevant information to enable the BNC Members to make an informed and effective decision or recommendation.

12 DECISION

12.1 Each BNC Member shall be entitled to one (1) vote in deciding the matters deliberated by the BNC. Any decision of the BNC shall be determined by a majority of votes.

12.2 In the event of an equality of votes, the BNC Chairman shall be entitled to a second or casting vote.

13 MINUTES

13.1 The discussions and conclusions of the BNC meetings shall be minuted, in a clear, accurate, consistent, complete and timely manner. The minutes shall record the decisions of the BNC, including key deliberations, rationale for each decision made, and any significant concerns or dissenting views. The minutes must indicate whether any member of the BNC had abstained from voting or excused himself from deliberating on a particular matter.

13.2 The BNC meeting minutes shall be signed by the Chairman of the BNC meeting at which the proceedings were held or by the Chairman of the next BNC meeting.

13.3 A Circular Resolution in writing signed by a majority of the BNC Members shall be as effective as a resolution passed at a meeting of the BNC duly convened and held, and may consist of several documents in the like form, each signed by one or more of the BNC Member.

"Documents in the like form" include approval given by Director through a legible confirmed transmission by facsimile, telex, cable, telegram or other forms of electronic communications.

14 REPORTING TO BOARD

14.1 The BNC shall report to the Board on material matters arising at the BNC meetings, on all matters within the BNC's purview and, where applicable, shall present the BNC's recommendations to the Board for Board's decision / approval.

14.2 Other matters assessed, reviewed or decided by the BNC may be reported to the Board via minutes of the BNC meetings tabled to the Board from time to time. The BNC Chairman may update the matters separately as and when required.

15 OTHER PROVISIONS

15.1 This TOR of BNC may be reviewed and updated (if required) once in every 3 years and as and when required so as to ensure its relevancy in line with the development of the Bank's business operations and regulatory requirements.

15.2 Notwithstanding the delegation of authority to the BNC, nothing herein stated shall prevent the matters from being directly reviewed, assessed or decided by the Board or restrict the Board from delegating its specific responsibilities to individual Director, Management or any person/entity.

15.3 The Board remains fully accountable for any authority delegated to the BNC.

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