

## **TIME DOTCOM BERHAD**

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

#### **1. PURPOSE**

The purpose of this Policy on Nomination and Assessment Process of Board Members ("Policy") is to describe the process to be undertaken by TIME's Nomination and Remuneration Committee ("NRC") and Board ("Board") in discharging their responsibilities for the nomination, assessment and re-election of Board members in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and Malaysian Code on Corporate Governance 2017 ("MCCG 2017").

#### **2. BOARD MEMBERSHIP CRITERIA**

2.1 The NRC has been delegated with the responsibilities, among others, to propose candidates to the Board and several committees of the Board ("Board Committees") of TIME and to recommend the appointment and remuneration of Executive Directors, Non-Executive Directors (including Independent Directors) and Senior Management of the TIME Group, to the Board for approval.

2.2 The NRC shall take into consideration the following criteria and any other criteria which the NRC deems necessary, when determining the qualifications 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 issues 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

Directors should be capable of representing the multi-cultural nature of TIME's global operations with consideration being given to a diverse board in terms of gender, age, ethnic and cultural membership. In addition, the NRC shall take into account diversity in professional experience, skills, background and perspectives.

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 commitments that would, in the NRC'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 the director is able to devote sufficient time and commitment to the Company (Reference: Paragraph 15.06 of MMLR).

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.

ix. Any other criteria deemed fit.

### **3. BOARD SIZE AND COMPOSITION**

- 3.1 The Board must be of such composition and size that they facilitate the making of informed and critical decisions. At present, the Board consists of qualified individuals with spectrum of experiences and skills with a mix of legal, financial, technical and business experience which are relevant and vital to the direction and management of the Group.
- 3.2 The Board composition should comprise at least 2 directors or 1/3 of the board of directors, whichever is the higher, are independent directors in compliance with Paragraph 15.02 of the MMLR. 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.
- 3.3 The Board is committed to identify suitably qualified women directors to comply with the MCCG 2017 requirement to have at least 30% women directors.

#### **4. APPOINTMENT OF NEW DIRECTORS**

- 4.1 The NRC 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 NRC. NRC will utilise various sources including independent sources, to identify suitably qualified candidates.
- 4.2 Upon receipt of the proposal, the NRC is responsible for conducting an assessment and evaluation of the proposed candidate. The assessment/evaluation process may include, at the NRC's discretion, reviewing the candidate's resume, curriculum vitae and other biographical information, confirming the candidate's qualifications and conducting legal and other background searches as well as a formal or informal interview. The criteria as set out in Section 2 above or any other criteria which the NRC deems appropriate will also be used to assess the candidates.
- 4.3 Upon completion of the assessment and evaluation of the proposed candidate, the NRC would make its recommendation to the Board. Based on the recommendation of the NRC, the Board would evaluate and decide on the appointment of the proposed candidate.
- 4.4 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 MMLR and Companies Act 2016 ("CA").

## **5. ANNUAL ASSESSMENT OF EXISTING DIRECTORS**

- 5.1 The NRC will conduct an assessment annually in respect of the Board, Board Committees and individual Directors. The relevant assessment forms would be circulated to all Directors for completion and thereafter the NRC will discuss the findings and make necessary recommendations (such as re-election, re-appointment, etc.) to the Board in relation thereto. Such forms will be reviewed and revised from time to time as and when necessary.
- 5.2 The NRC, 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 criteria used for the annual assessment could be based on the similar criteria as stipulated in Section 2 above and reference made to the Board Charter of the Company, especially on the sections relating to the Board, the roles and responsibilities of a Director, the roles of the Chairman and the Executive Director and Board Committees.
- 5.3 The NRC should ensure that the annual assessment is being conducted effectively towards ensuring that the Board composition meets the needs of the Company.
- 5.4 Upon assessing the Board and Board Committee(s) in each financial year, the NRC shall propose the relevant training requirements for the Board members in the next financial year.

## **6. ASSESSMENT ON INDEPENDENCE OF DIRECTORS**

### **6.1 Annual Assessment**

The NRC will conduct an annual assessment on the independence of the Independent Directors of the Company based on the criteria as set out in the MMLR, MCCG 2017 and any other relevant rules and regulations.

## **6.2 Independent Director who has served more than 9 years and 12 years**

An Independent Director who has served as a Board member for a term of more than nine (9) years (consecutively or 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 Board continues to retain an Independent Director after the twelfth year, it shall seek shareholders' approval through a 2-tier voting process as prescribed by the MCCG 2017.

## **6.3 Assessment process of NRC**

The NRC 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 MMLR. 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 interests of the Company.

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

## **7. APPLICATION**

7.1 The principles set out in this Policy shall be:-

- i. kept under review and updated as practices on corporate governance develop and further guidelines on corporate governance are issued by the relevant regulatory authorities;

- ii. applied in practice having regard to their spirit and general principles rather than to the letter alone; and
  - iii. disclosed in the Annual Report as part of a narrative statement by the Directors on corporate governance.
- 7.2 The NRC and the Board endeavour to comply at all times with the principles and practices set out in this Policy.
- 7.3 At any one time, should the MMLR or the MCCG 2017 be amended for any reason whatsoever, the amendment of which affects the contents of this Policy, the amended MMLR or CA shall take precedence over the Policy.