

SC ESTATE BUILDER BERHAD
(formerly known as Flonic Hi-Tec Bhd)

(Company No. 655665-T)
(Incorporated in Malaysia)

TERMS OF REFERENCE OF NOMINATION COMMITTEE
(Revised on 29 March 2016)

1. Objectives

The principal objective of the Nomination Committee is to assist the Board of Directors in their responsibilities in nominating new nominees to the Board of Directors. The Nomination Committee shall also assess the performance of the Directors of the Company on an on-going basis.

2. Composition of Members

The Board of Directors shall elect the Nomination Committee members from amongst themselves, composed exclusively of Non-Executive Directors, a majority of whom are independent.

3. Chairman

The Chairman of the Nomination Committee shall be elected from amongst the Nomination Committee members. The Chairman of the Nomination Committee shall be approved by the Board of Directors.

4. Secretaries

The Secretaries of the Nomination Committee shall be the Company Secretaries of the Company.

5. Meetings

The Nomination Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

The Secretary shall on the requisition of the members of the Nomination Committee summon a meeting of the Nomination Committee except in the case of an emergency, reasonable notice of every Nomination Committee meeting shall be given in writing.

In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the Meeting.

6. Quorum

A quorum shall consist at least two (2) members.

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7. Circular Resolutions

A resolution in writing signed or approved by email, letter, telegram, telex, telefax or digital messaging services by all the Nomination Committee Members and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a Meeting of the Nomination Committee duly called and constituted. All such resolutions shall be described as "Nomination Committee Members' Resolutions in Writing" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's Minutes Book. Any such resolution may consist of several documents in like form, each signed by one (1) or more Nomination Committee Members.

8. Authority

The Nomination Committee shall, in accordance with a procedure or process to be determined by the Board of Directors and at the expense of the Company,

- (a) annually review the required mix of skills and experience and other qualities, including core competencies which Non-Executive and Executive Directors should have.
- (b) assess on an annual basis, the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual Director.
- (c) be entitled to the services of a Company Secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Listing Requirements of ACE Market of Bursa Malaysia Securities Berhad or other regulatory requirements.

9. Duties and Responsibilities

The duties and responsibilities of the Nomination Committee are as follows:-

- To assess and recommend to the Board of Directors, candidates for all directorships to be filled by the Shareholders or the Board of Directors. In making its recommendations, the Nomination Committee would consider the candidates':-
 - skills, knowledge, expertise and experience;
 - gender diversity;
 - professionalism;
 - integrity; and

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(Terms of Reference of Nomination Committee - cont'd)

- in the case of the candidates for the position of Independent Non-Executive Directors, the Nomination Committee would also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors;
- To consider, in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any Director or Shareholder.
- To recommend to the Board of Directors the nominees to fill the seats on the committees of the Board.
- To review annually, the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and members have carried out their duties in accordance with the Terms of Reference of the Audit Committee.
- To implement annual assessment on the effectiveness and performance of the Board of Directors as a whole, the committees of the Board, as well as the contribution/performance of each individual Director, including the non-executive directors and executive directors. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions would be properly documented.
- To examine the size of the Board with a view to determining the impact of the number upon its effectiveness.
- To review the required mix of skills and experience and other qualities including core competencies which non-executive directors should bring to the Board.
- To develop the criteria to assess independence and to assess on an annual basis, the independence of the Independent Non-Executive Directors and recommend the same to the Board.
- To review and, if deem fit, to recommend the retention of its Independent Non-Executive Directors whose terms have exceeded nine (9) years' tenure for continuance in the office.
- To recommend the re-election of Directors who retired by rotation pursuant to the Company's Articles of Association and re-appointment of Directors who retired pursuant to Section 129(6) of the Companies Act, 1965.
- To establish time commitment expectations/protocol for the members of the Board.

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(Terms of Reference of Nomination Committee - cont'd)

- To review the attendance of the Directors at Board and/or Board Committee(s) Meetings.
- To review the succession plans for the Company's key management personnel.
- To review the training needs/training programmes for the Board of Directors and to facilitate Board induction and training programmes, including induction training for new Board members.
- To act in line with the directions of the Board of Directors.
- To consider any other matters as defined by the Board.