

# Nominating Committee Statement<sup>1</sup>

## NOMINATING COMMITTEE (“NC”)

The NC assists the Board of Directors of YTL Land & Development Berhad (the “Company”) (“Board”) in discharging its responsibilities by overseeing the selection and assessment of Directors to ensure that the composition of the Board meets the needs of the Company and its subsidiaries (“YTL Land Group”).

Members of the NC are as follows:-

Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman (*Chairman*)

Dato’ Cheong Keap Tai

Eu Peng Meng @ Leslie Eu

The NC met twice during financial year ended 30 June 2017, attended by all members at every meeting.

## TERMS OF REFERENCE

### 1. Primary Purposes

- 1.1 To provide assistance to the Board of Directors (“Board”) in overseeing the selection and assessment of Directors to ensure that the Board composition meets the need of YTL Land & Development Berhad and its subsidiaries (“Group”).
- 1.2 To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors and the independence of Independent Directors.
- 1.3 To recommend suitable candidate(s) for appointments to the Board and the Committee of the Board.
- 1.4 To facilitate Board induction and training programmes.

### 2. Composition

- 2.1 The Committee shall be appointed by the Board from amongst their number and shall comprise no fewer than three (3) members, all of whom must be Non-Executive directors, with a majority of them being Independent Non-Executive Directors.
- 2.2 The members of the Committee shall elect a Chairman from amongst their number who shall be an Independent Non-Executive Director.
- 2.3 Members of the Committee may relinquish their membership in the Committee with prior written notice to the Company Secretary and may continue to serve as directors of the Company.
- 2.4 In the event that the number of members is reduced below three (3), the Board shall appoint such new members as may be required as soon as practicable provided that the composition of the Committee shall meet the criteria set out in Clause 2.1 above.

# Nominating Committee Statement<sup>2</sup>

## 3. Authority

The Committee, in carrying out its duties and responsibilities, shall in accordance with the procedure determined by the Board and at the cost of the Company:-

- 3.1 have the resources which are required to perform its duties;
- 3.2 have full and unrestricted access to any information pertaining to the Company and the Group;
- 3.3 be able to obtain independent professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- 3.4 have access to the advise and services of the Company Secretary.

## 4. Functions and Duties

The Committee shall, amongst others, discharge the following functions:-

- 4.1 To formulate the nomination, selection and succession policies for members of the Board.
- 4.2 To recommend to the Board suitable candidates for appointments, the re-appointments/re-election of Directors to the Board and any removals, and appointment of members of Board Committee established by the Board. In making its recommendation, the Committee should consider and assess the candidates' character, skills, knowledge, expertise and experience, professionalism, integrity, competence, commitment, contribution and time to effectively discharge his/her role as a director, and in the case of candidates for the position of independent non-executive directors, to evaluate the candidates' ability to discharge such responsibility/functions as expected from independent non-executive directors.
- 4.3 Review annually the overall composition of the Board in terms of the appropriate size, mix of skills, experience and other qualities of the Board, the balance between executive directors, non-executive and independent directors, and other core competencies required.
- 4.4 Assess annually the effectiveness of the Board and Board Committees as well as the contribution by each individual Director and Board Committee.
- 4.5 Establish a set of quantitative and qualitative performance criteria to review and evaluate the performance of each member of the Board.
- 4.6 Develop criteria to assess independence for application by the Board upon admission, annually and when any new interest or relationship develops.
- 4.7 Establish a policy formalising Board's approach to boardroom diversity and ensure disclosure in the Annual Report its gender diversity policies.
- 4.8 Facilitate and determine board induction and continuing education programmes to be provided for the Board in areas that would best strengthen their contributions to the Board.

# Nominating Committee Statement<sup>3</sup>

## 5. Meetings

- 5.1 The quorum for each meeting shall be two (2) members of the Committee including the Chairman. No business shall be transacted at any meeting of the Committee unless the quorum is present. The meeting of the Committee shall be governed by the provisions of the Company's Articles of Association relating to Board meetings unless otherwise provided for in this Terms of Reference.
- 5.2 A member of the Committee may participate in a meeting by means of a telephone conference or video conference or any other means of audio-visual communications and shall be deemed to be present in person at the meeting and shall be entitled to vote or counted in a quorum.
- 5.3 The Committee may at its discretion and as necessary, invite any Board member or any member of the Management within the Company/Group whom the Committee thinks fit to attend its meetings to carry out the Committee's responsibilities.
- 5.4. The Committee shall meet at least once a year, although additional meetings may be called at any time at the discretion of the Chairman of the Committee. An agenda shall be sent to all members of the Committee and any other persons who may be required/invited to attend.
- 5.5 Notwithstanding item 5.4 above, upon the request of any member of the Committee, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter which should be brought to the attention of the Board.
- 5.6 Where only two (2) members are competent to vote on a question in issue and there is an equality in vote, the resolution shall be deemed not to have been passed, whereupon the question in issue shall be tabled at the next meeting of the Committee or referred to the Board, whichever is more expedient.
- 5.7 The Committee may deal with matters by way of circular resolution in lieu of convening a formal meeting.
- 5.8 All recommendations and findings of the Committee shall be submitted to the Board for approval.
- 5.9 The Committee may establish any regulations from time to time to govern its administration.

## 6. Minutes

- 6.1 The Secretary shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.
- 6.2 Minutes of each meeting shall also be distributed to the members of the Committee.

# Nominating Committee Statement<sup>4</sup>

- 6.3 Minutes of the Committee's meetings will be made available to all Board members. A summary of significant matters and resolutions will be reported to the Board by the Committee.
- 6.4 The books containing the minutes of proceedings of any meeting of the Committee shall be kept by the Company at the registered office of the Company and shall be opened to the inspection of any member of the Committee or the Board.

## 7. Secretary

The Secretary to the Committee shall be the Company Secretary.

## ACTIVITIES OF THE NC FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

### (A) BOARD NOMINATION AND ELECTION PROCESS AND CRITERIA USED

The NC is responsible for considering and making recommendations to the Board candidates for directorship when the need arises such as to fill a vacancy arising from resignation or retirement or to close any skills, competencies, experience or diversity gap that has been identified. Candidates may be proposed by the Managing Director or any Director or shareholder and must fulfil the requirements prescribed under the relevant laws and regulations for appointment as director. In assessing the suitability of a candidate, the NC will take into consideration a number of factors including but not limited to the candidate's skills, knowledge, expertise, competence and experience, time commitment, character, professionalism and integrity. For the position of independent non-executive director, the NC will evaluate the candidate's ability to discharge such responsibilities as expected from an independent non-executive director.

#### i. Review of Directors proposed for re-election/ re-appointment

In accordance with Article 84 of the Company's Constitution ("Article 84"), Directors are to be elected at every annual general meeting when one-third of the Directors longest in office shall retire, subject always to the requirement that all Directors shall retire from office once at least in each three years, and if eligible, may offer themselves for re-election.

Although the 70-year age limit for directors had been abolished under the Companies Act, 2016, directors who were re-appointed by the members at the last annual general meeting pursuant to Section 129(6) of the Companies Act, 1965 ("Section 129 CA65") to hold office until the conclusion of the next annual general meeting, are required to be re-appointed in order to continue in office. If re-appointed, these directors will then be subject to retirement by rotation in accordance with the Company's Constitution.

# Nominating Committee Statement<sup>5</sup>

In June 2017, based on the results of the assessment undertaken for the financial year, the NC resolved to recommend to the Board that:-

- Dato' Cheong Keap Tai, Dato' Mark Yeoh Seok Kah and Dato' Hamidah Binti Maktar who are due to retire pursuant to Article 84 at the Seventy-Seventh Annual General Meeting of the Company ("AGM"), stand for re-election; and
- Dato' Suleiman Bin Abdul Manan, Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman and Eu Peng Meng @ Leslie Eu, who were re-appointed at the Seventy-Sixth AGM of the Company pursuant to Section 129 CA65 to hold office until the conclusion of the Seventy-Seventh AGM, stand for re-appointment.

Dato' Cheong Keap Tai, Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman and Eu Peng Meng @ Leslie Eu abstained from deliberations at the NC meeting on their own re-election and re-appointment, respectively.

The Board, save for the members who had abstained from deliberations on their own re-election/re-appointment, supported the NC's views and recommends that shareholders vote in favour of the resolutions for their re-election/re-appointment at the forthcoming AGM.

ii. Review of Directors proposed for continuing in office as Independent Non-Executive Directors ("INED")

As part of the annual assessment of Directors, an assessment of independence was conducted on the INED. In addition to the criteria for independence prescribed in the Bursa Malaysia Securities Berhad Main Market Listing Requirements and Practice Note 13, INED were assessed on their ability and commitment to continue to bring independent and objective judgement to board deliberations.

The Board is of the view that there are significant advantages to be gained from the INED who have served on the Board for more than 9 years as they possess greater insights and knowledge of the businesses, operations and growth strategies of the YTL Land Group. Furthermore, the ability of a director to serve effectively as an independent director is very much a function of his calibre, qualification, experience and personal qualities, particularly of his integrity and objectivity in discharging his responsibilities in good faith in the best interest of the Company and his duty to vigilantly safeguard the interests of the shareholders of the Company.

# Nominating Committee Statement<sup>6</sup>

The Board, save for Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman, Dato' Cheong Keap Tai and Eu Peng Meng @ Leslie Eu, who had abstained from deliberations on the matter, is satisfied with the skills, contributions and independent judgement that Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman, Dato' Cheong Keap Tai and Eu Peng Meng @ Leslie Eu bring to the Board. For these reasons, the Board, save for Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman, Dato' Cheong Keap Tai and Eu Peng Meng @ Leslie Eu, recommends and supports the resolutions for their continuing in office as INED of the Company which will be tabled for shareholders' approval at the forthcoming AGM.

## **(B) ANNUAL ASSESSMENT**

In May 2017, the annual assessment of the effectiveness of the Board as a whole, the Board Committees and individual Directors was carried out with the objectives of assessing whether the Board and the Board Committees, as well as the Directors have effectively performed its/their roles and fulfilled its/their responsibilities, and devoted sufficient time commitment to the Company's affairs; and to recommend areas for improvement. The assessment exercise was facilitated by the Company Secretary and took the form of completion of questionnaires/evaluation forms comprising a Board and Nominating Committee Effectiveness Evaluation Form, Individual Director Performance Evaluation Form, Independent Directors' Evaluation Form, Audit Committee Effectiveness Evaluation Form, and Audit Committee Members Evaluation Form.

In evaluating the effectiveness of the Board, several areas were reviewed including the composition, degree of independence, right mix of expertise, experience and skills, quality of information and decision making, and boardroom activities. Board Committees were assessed on their composition, expertise, and whether their functions and responsibilities were effectively discharged in accordance with their respective terms of reference.

The assessment of the individual Directors covered areas such as fit and properness, contribution and performance, calibre, character/personality and time commitment.

Results of the assessment were summarised and discussed at the NC meeting held in June 2017 and reported to the Board by the Chairman of the NC. The evaluation results confirmed that the Board and the Board Committees continue to operate effectively and that the performance of the Directors and the time commitment in discharging their duties as Directors of the Company for the year ended 30 June 2017 were satisfactory. These results form the basis of the NC's recommendations to the Board for the re-election and re-appointment of Directors at the AGM.

# Nominating Committee Statement<sup>7</sup>

## (C) REVIEW OF THE NC STATEMENT FOR FINANCIAL YEAR ENDED 30 JUNE 2016

The NC Statement was reviewed by the NC prior to its recommendation to the Board for approval for inclusion in 2016 Annual Report.

## POLICY ON BOARD COMPOSITION

As the Board's overriding aim is to maintain a strong and effective Board, it seeks to ensure that all appointments are made on merit, taking into account the collective balance of elements such as skills, experience, age, gender, ethnicity, background and perspective. The Board recognises the importance of encouraging and developing female talent at all levels. Currently, one of 17% of the Company's Executive Directors is woman and she makes up 10% of the full Board. Although it has not set any specific measurable objectives, the Board intends to continue its current approach to diversity in all aspects while at the same time seeking Board members of the highest calibre, and with the necessary strength, experience and skills to meet the needs of the Company.

## INDUCTION, TRAINING AND DEVELOPMENT OF DIRECTORS

Upon joining the Board, a newly appointed Director will be given an induction pack containing the Company's latest annual report, Constitution, and schedule of meetings of the Board and Committee (if the Director is also a Committee member) which will serve as an initial introduction to the YTL Land Group as well as an ongoing reference.

The Board, through the NC, assesses the training needs of its Directors on an ongoing basis by determining areas that would best strengthen their contributions to the Board.

Besides the findings from the annual performance assessment of Directors, which provide the NC with useful insights into the training needs of the Directors, each Director is requested to identify appropriate training that he/she believes will enhance his/her contribution to the Board.

The Board has taken steps to ensure that its members have access to appropriate continuing education programmes. The Company Secretary facilitates the organisation of in-house development programmes and keeps Directors informed of relevant external training programmes.

During the financial year ended 30 June 2017, the following four in-house training programmes were organised for the Directors:-

- YTL Leadership Conference 2016;
- Organisation for Economic Co-operation and Development ("OECD") – Base Erosion and Profit Shifting ("BEPS") Initiative;
- Cybersecurity in the Boardroom;
- Establishing effective Governance, Risk and Compliance ("GRC") practices to drive Strategy, Performance and Sustainability.



# Nominating Committee Statement<sup>8</sup>

All the Directors have undergone training programmes during the financial year ended 30 June 2017. The conferences, seminars and training programmes attended by one or more of the Directors covered the following areas:-

Seminars/Conferences/Training	Attended by
<b>Corporate Governance (“CG”)/Risk Management &amp; Internal Controls/Taxation/Financial/Legal/Technology</b>	
• National Tax Conference 2016 (9 & 10 August 2016)	Dato’ Cheong Keap Tai
• Role of the Chairman & Independent Directors (28 September 2016)	Dato’ Suleiman Bin Abdul Manan Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman (“Tan Sri Abu Hassan”) Eu Peng Meng @ Leslie Eu
• MIA International Accountants Conference 2016 (15 & 16 November 2016)	Dato’ Cheong Keap Tai
• National Tax Seminar 2016 (17 November 2016)	Dato’ Cheong Keap Tai
• CG Breakfast Series with Directors: The Cybersecurity Threat and How Board Should Mitigate the Risks (18 November 2016)	Tan Sri Abu Hassan
<b>Corporate Governance (“CG”)/Risk Management &amp; Internal Controls/Taxation/Financial/Legal/Technology</b>	
• OECD – BEPS Initiative (23 February 2017)	Tan Sri Dato’ (Dr) Francis Yeoh Sock Ping (“Tan Sri Francis Yeoh”) Tan Sri Abu Hassan Dato’ Cheong Keap Tai Dato’ Yeoh Seok Kian Dato’ Yeoh Seok Hong Dato’ Sri Michael Yeoh Sock Siong Dato’ Mark Yeoh Seok Kah Eu Peng Meng @ Leslie Eu
• National GST Conference 2017 (28 February 2017 & 1 March 2017)	Dato’ Cheong Keap Tai
• Cybersecurity in the Boardroom (17 April 2017)	Dato’ Suleiman Bin Abdul Manan Tan Sri Francis Yeoh Dato’ Cheong Keap Tai Dato’ Yeoh Seok Kian Dato’ Sri Michael Yeoh Sock Siong Dato’ Mark Yeoh Seok Kah Dato’ Hamidah Binti Maktar Eu Peng Meng @ Leslie Eu
• Impact of the Companies Act 2016 on Directors and Shareholders (25 & 26 April 2017)	Dato’ Cheong Keap Tai
• Establishing effective GRC practices to drive Strategy, Performance and Sustainability (2 June 2017)	Dato’ Suleiman Bin Abdul Manan Tan Sri Francis Yeoh Tan Sri Abu Hassan Dato’ Mark Yeoh Seok Kah
<b>Trade/Economic Development, Sustainability</b>	
• London School of Economics Insights dinner talk – “After Brexit – Britain, Europe and the World” (26 September 2016)	Dato’ Hamidah Binti Maktar
• Listed issuers sustainability education programme – Sector-Specific Sustainability Reporting Workshop (Property Development/Investment) (13 October 2016)	Tan Sri Abu Hassan



# Nominating Committee Statement<sub>9</sub>

## Leadership, and Business Management

---

- YTL Leadership Conference 2016 (19 December 2016)
    - Dato' Suleiman Bin Abdul Manan
    - Tan Sri Francis Yeoh
    - Tan Sri Abu Hassan
    - Dato' Yeoh Seok Kian
    - Dato' Yeoh Seok Hong
    - Dato' Sri Michael Yeoh Sock Siong
    - Dato' Mark Yeoh Seok Kah
    - Dato' Hamidah Binti Maktar
- 
- Global Transformation Forum 2017 (22 & 23 March 2017)
    - Dato' Yeoh Seok Hong
    - Dato' Hamidah Binti Maktar