

# **THE BANK OF NOVA SCOTIA BERHAD**

## **TERMS OF REFERENCE OF THE NOMINATION COMMITTEE**

## **Objective**

The Nomination Committee (the "Committee") supports the board in carrying out its functions in the following matters concerning the board, Chief Executive Officer (the "CEO"), senior management and the company secretary.

The Committee's principal functions are:

- Appointment and removal of directors, senior management and the company secretary;
- Performance evaluation and development of the board of directors, senior management and the company secretary;
- Fit and proper assessments; as set out in the paragraphs 10, 11, 12, 13, 15 and 17 of the Bank Negara Malaysia's Corporate Governance issued on August 3, 2016.

## **Composition**

The Board of Directors of The Bank of Nova Scotia Berhad (the "Bank") shall appoint a Committee, and the Committee shall comprise of:-

- at least three (3) directors;
- a majority of independent directors<sup>1</sup>; and
- directors who have the skills, knowledge and experience relevant to the responsibilities of the board committee.

The Chairman of the Committee shall be an independent non-executive director appointed by the Board<sup>1</sup>. To avoid any conflict of interest, a member of the Committee shall abstain from participating in discussions and decisions on matters involving the member.

The Committee may invite any director, executive or other person to attend any meeting(s) of the Committee as it may from time to time consider appropriate to assist the Committee in the attainment of its objectives.

## **Meetings and Quorum**

The Committee shall meet with such frequency and at such times as it may determine but, in any event, not less than once a year. A minimum of three (3) committee members is required to form a quorum in respect of the meeting.

At all meetings of the Committee, the Chairman of the Committee shall preside. If the Chairman is absent, the members present at the meeting shall elect a Chairman to preside, who shall be an independent non-executive director<sup>1</sup>.

---

<sup>1</sup> BNM's approval is required for exemptions to these requirements.

## **Roles & Responsibilities of the Committee**

1. Without limiting the generality of the Committee's objective, the Committee shall have the following responsibilities:
  - To establish minimum requirements for the Board, i.e. required mix of skills, knowledge, experiences and core competencies required of a director and make recommendations to the Board with regards to any changes through an annual review. The Committee is also responsible for establishing the minimum requirements for the CEO. The requirements and criteria should be approved by the Board;
  - To assess and recommend to the Board, nominees for director and board committee members (as well as nominees for the CEO.) This includes assessing and recommending all Board appointments, reappointments and resignations, before an application is submitted to Bank Negara Malaysia (BNM) for approval;
  - To oversee the overall composition of the Board, in terms of the appropriate size and skills, and the balance between executive directors, non-executive directors and independent directors through an annual review and also ensure that there is appropriate succession planning;
  - To recommend to the Board the removal of a director or CEO from their position on the Board and management if he or she is ineffective, errant and negligent in discharging his/her responsibilities;
  - To ensure that there are established performance evaluation processes for the effectiveness of the Board as a whole and the contribution of each director to the effectiveness of the Board, the contribution of the Board's various committees and the performance of the CEO and other key senior management officers. An annual assessment should be conducted based on objective performance criteria and such performance criteria should be approved by the Board;
  - To assist the Board in developing an action plan to address issues that may be raised as a result of such assessments;
  - To ensure that there are established procedures to oversee appointment and succession planning and performance evaluation for key senior management officers;
  - To ensure that all directors receive an appropriate continuous training program in order to be kept abreast of the latest developments in the industry;
  - To assess the fitness and propriety of directors and senior management on an annual basis, to ensure that the directors and key senior management officers are not disqualified under Section 59(1) of Financial Services Act (FSA) and continue to comply with the "Fit and Proper" standards;

- To review the list of key responsible persons and be satisfied that the list is comprehensive and has taken into account all key positions within the Bank;
  - To ensure that all key responsible persons fulfill fit and proper requirements and for conducting assessments of the fitness and propriety of directors, members of the various committees and the CEO; and
  - To review and assess the effectiveness of the Company Secretary. The Committee is also responsible to recommend the appointment and removal of the Company Secretary to the Board for approval.
2. To be consistent with The Bank of Nova Scotia Group's global strategies, where strategies and policies related to the objective of this Committee are driven by the parent company, the Committee shall:
    - Discuss, evaluate and provide input on strategies and policies to suit the local environment;
    - Deliberate and make the necessary recommendations on such strategies and policies to assist the Board when approving major issues and strategies; and
    - Seek advice and counsel from The Bank of Nova Scotia in carrying out its responsibilities, where appropriate.
  3. Where major decisions related to the objective of this Committee are made by The Bank of Nova Scotia, the Committee shall evaluate the issues before making recommendations to the Board for adoption.
  4. The Committee should not be delegated with decision-making powers but should report its recommendation to the Board for decision.
  5. The Committee shall review and assess the adequacy of these Terms of Reference at least every two years and report the results of this review to the Board.

**These Terms of Reference was reviewed and approved by the Board on 4 April 2023.**