



DAYA MATERIALS BERHAD (636357-W)

TERMS OF REFERENCE NOMINATION COMMITTEE

TABLE OF CONTENTS

1.0	COMPOSITION	3
2.0	QUORUM	3
3.0	CHAIRMAN.....	3
4.0	SECRETARY	3
5.0	MEETING AND MINUTES.....	3
6.0	FUNCTIONS.....	3 - 4
7.0	REPORTING PROCEDURES	4

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1.0 COMPOSITION

- 1.1 The Nomination Committee comprises Non-Executive Directors and a majority of the Committee members are appointed from the Independent Directors.

2.0 QUORUM

- 2.1 Two (2) members shall form a quorum for meetings.

3.0 CHAIRMAN

- 3.1 The members of the Committee shall elect a Chairman from among their members who shall be a Independent Director. In the absence of the Chairman of the Nomination Committee, the remaining members present shall elect one of their members as Chairman of the Meeting.

4.0 SECRETARY

- 4.1 The Secretary to the Nomination Committee shall be the Company Secretary.

5.0 MEETING AND MINUTES

- 5.1 The Nomination Committee shall meet at least once a year or at such other time as the Chairman of the Committee deemed necessary.
- 5.2 Minutes of each meeting shall be distributed to each member of the Board.
- 5.3 Questions arising shall be decided by a majority of votes. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote provided that where two (2) members form a quorum, the Chairman of the meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue, shall not have a casting vote.

6.0 FUNCTIONS

- 6.1 To review regularly the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary.
- 6.2 To propose and identify new nominees for appointment to the Board of Directors.
- 6.3 To assess Directors on an on-going basis, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director.
- 6.4 To recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board.
- 6.5 To recommend to the Board, Directors to fill the seats on Board Committees.

- 6.6 To review annually the Board's mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board. This should be disclosed in the Annual Report.
- 6.7 To determine annually whether or not a Director is Executive, Non-Executive or Independent.
- 6.8 To assess the effectiveness of the Board as a whole, the Committees of the Board and contribution by each individual Director including Independent Non-Executive Directors as well as the Chief Executive Officer to the effectiveness of the Board.
- 6.9 To recommend to the Board for continuation (or not) in service of Executive Director(s) and Directors who are due for retirement by rotation.
- 6.10 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.
- 6.11 To orientate and educate new Directors on the nature of the business, current issues within the Company and the corporate strategy, the expectations of the Company concerning input from the Directors and the general responsibilities of Directors.

7.0 REPORTING PROCEDURES

- 7.1 The actual decision as to who shall be appointed to the Board shall be the responsibility of the full Board after considering the recommendation of the Committee.
- 7.2 The Nomination Committee should report to the full Board for its consideration and implementation.

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