

# HG METAL MANUFACTURING LIMITED (the “Company”)

## DIRECTOR NOMINATION POLICY

### 1. PURPOSE

- 1.1 The purpose of this policy is to :-
- (a) set out the criteria and process in relation to the nomination and appointment of directors, of the Company;
  - (b) ensure that the board of directors (the “**Board**”) of the Company and its committees have a balance of skills, experience and diversity of perspectives appropriate to the Company; and
  - (c) ensure the Board continuity and appropriate leadership at Board level

### 2. SCOPE

- 2.1 The scope of this Policy covers the following areas:
- Appointment of new Directors
  - Re-appointment / Re-election of Directors
- 2.2 This policy shall exclude the nomination and appointment of directors to the Company’s subsidiaries and/or any other entities for which the Board has the right to nominate and/or approve the appointment of directors.

### 3. RESPONSIBILITIES

- 3.1 The Board has delegated its responsibilities and authority for selection and appointment of directors of the Company to the Nomination Committee (“**NC**”) of the Company.

Without prejudice to the authority and duties of NC as set out in its terms of reference, the ultimate responsibility for selection and appointment of directors of the Company rests with the Board as a whole.

### 4. BOARD SIZE, COMPOSITION AND DIVERSITY

- 4.1 The Board should be structured in such a way that it has the ability to comprehend and deal with the current and emerging issues and opportunities of the company. The Board and its Committees must have the appropriate balance of knowledge, skills, and experience to enable them to discharge their respective duties and responsibilities effectively. The Board recognises that diversity within the organisation, including its Board of directors, is a key element to its strategy. For this purpose, the NC will give due consideration to the Company’s Board Diversity Policy, including the prescribed Measurable Objectives in all director selection, nomination and appointments to the Board. The NC shall assist the Board to review its size and composition regularly, taking into account the outcomes of annual performance assessments undertaken and succession needs, amongst other factors.

## **5. SELECTION CRITERIA**

5.1 The NC shall assess the eligibility of a candidate for appointment as director of the Company based on the following criteria and any other criteria which the NC deems necessary:

i) **Attributes Complementary to the Board**

The candidate should possess attributes that complement and expand the skill set, experience and expertise of the Board as a whole, having regard to the current structure, size, diversity profile and skills matrix of the Board and the needs of the Board. In order to fill these objectives, the NC should prescribe a set of knowledge and expertise requirements for the Board of Directors and formulate the board skill matrix to be used in the selection and nomination of qualified candidates.

The shortlisting and subsequent selection of candidates will be based on the Company's board skills matrix which will be regularly reviewed by the Board to ensure that Directors meet the current and future needs of the Company and in delivering its strategic priorities.

ii) **Directors Independence**

All independent non-executive director ("**INED**") candidates must satisfy the independence requirements under the Code of Corporate Governance and SGX Listing Rules. The INED candidate shall be independent in character and judgement and be able to represent and act in the best interests of all shareholders of the Company.

iii) **Background Check**

The results of checks undertaken as to the candidate's character, integrity, experience, education, criminal record and bankruptcy history, having regard to the list of qualifications and disqualifications as defined in the Company's Constitution, the requirements of the Code of Corporate Governance and relevant SGX Listing Rules and Circulars, as may be amended from time to time, relating to the board directors.

iv) **Any other which the NC deems necessary**

## **6. NOMINATION PROCEDURES**

### **6.1 Appointment of New and Replacement Directors**

6.1.1 NC should first identify the purpose of appointing new director to the Board, such as to fill any vacancy arising from retirement, resignation, close the competency gap in the Board as identified by the NC or any other reasons.

6.1.2 The NC then source for potential candidates through various channels such as recommendation from existing Board members, shareholders and engage professional third-party for the recruitment service.

6.1.3 Upon compilation and interview of the list of potential candidates, the NC will shortlist candidates and make recommendation based on the selection criteria and such other

factors that it considers appropriate for consideration by the Board. The Board has the final authority on determining suitable director candidate for appointment.

- 6.1.4 All appointment of new/replacement director shall be subject to shareholders' approval at the next annual general meeting.

## **6.2 Re-election of Directors and Nomination from Shareholders**

- 6.2.1 Where a retiring Director, being eligible, offers himself for re-election, the NC shall consider and, if consider appropriate, make recommendation to the Board for its consideration, for such retiring Director to stand for re-election at a general meeting. The Board will communicate its recommendation to shareholders as part of the Company's notice of annual general meeting. In any event, the Board shall ensure that the nomination, re-election and/or appointment of the Directors shall be conducted in compliance with the Company's Constitution and applicable corporate governance code and stock exchange rules.
- 6.2.2 Support for re-election is not automatic and is subject to satisfactory performance in accordance with the Company's Directors evaluation processes.
- 6.2.3 Any shareholder of the Company who wishes to nominate a person to stand for election as a Director at a general meeting must lodge the proxy form with the Company's registered office within the lodgement period specified in the relevant notice of meeting to shareholders.

## **7. REVIEW AND MONITORING**

- 7.1 The NC will from time to time review this Policy, monitor its implementation to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practice and makes recommendation on any proposed revisions as may be required to the Board for approval.

## **8. DISCLOSURE OF POLICY**

- 8.1 This Policy will be made available, and updated as required, on the Company's website [www.hgmetal.com](http://www.hgmetal.com).