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|  | <b>CRITERIA FOR SELECTION<br/>OF DIRECTORS</b> | Doc. No. : CG-10             |
|   |  | Rev. No. : 0                 |
|   |  | Effective Date : 27 Nov 2017 |
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## 1. INTRODUCTION

The Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) require the listed issuer to adopt and disclose corporate governance guidelines that address, among other things, director qualification standards. CN Asia Corporation Bhd provides that the Nomination Committee of the Board (the Committee”) is responsible for:

- establishing a policy setting forth the specific, minimum qualifications that the Committee believes must be met by a nominee recommended by the Committee for a position on the Board;
- describing any specific qualities or skills that the Committee believes are necessary for one or more of the directors to possess; and
- establishing procedures for identifying and evaluating potential nominees for director.

The Committee has adopted the following criteria for selection of candidates to be members on the Board, for consideration of candidates recommended by shareholders, and for re-nomination of existing Board members for re-election.

## 2. DIRECTOR SELECTION CRITERIA

The Committee shall evaluate and select candidates for election to the Board in accordance with the general and specific criteria set forth below or determined as provided below.

### 2.1 General Criteria

Director selection should include at least enough independent directors (as the term “independent” is defined in MMLR) to satisfy the minimum required proportion of independent directors to total directors. Such independent directors should have appropriate skills, experience and other characteristics so that qualified persons fill all Board committee positions required to be filled by independent directors. Each director should:

- be an individual of the highest integrity and have an inquiring mind, a willingness to ask hard questions and the ability to work well with others;
- be free of any conflict of interest that would violate any applicable law or regulation or interfere with the proper performance of the responsibilities of a director;
- a reasoned and balanced commitment to the social responsibilities of the Company;
- be willing and able to devote sufficient time to the affairs of the Company and be diligent in fulfilling the responsibilities of a director and Board committee member; and
- has the capacity and desire to represent the best interests of the shareholders as a whole.

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## 2.2 Specific Criteria

The Committee may, if it deems it advisable from time to time, develop specific criteria outlining the skills, experience, expertise, backgrounds, and other characteristics that should be represented on the Board to enhance its effectiveness. Any such criteria should take into account the particular needs of the Company based on its business, size, ownership, growth objectives, community, customers and other characteristics and should be adjusted as the Company's characteristics evolve.

## 3. CANDIDATE EVALUATION AND RE-EVALUATION

The Committee should evaluate each new director candidate and each incumbent director before recommending that the Board nominate or re-nominate such person as a director based on the extent to which such individual meets the general criteria above and will contribute significantly to satisfying any specific criteria developed as described above.

## 4. CANDIDATE IDENTIFICATION AND RECOMMENDATION

The Committee should seek to identify potential director candidates who will strengthen the Board and remedy any perceived deficiencies in its fulfilment of the specific criteria identified above. The Committee should recommend to the Board the candidates for director to be nominated by the Board for election at each annual general meeting of shareholders and to be added to the Board at any other times due to Board expansions, director resignations, retirements or otherwise.

## 5. REVIEW OF THE SELECTION CRITERIA

The criteria for selection of Directors shall be reviewed by the Board annually to ensure it remains consistent with the Board's objectives and responsibilities and in line with the relevant laws and legislations.

*This Criteria For Selection of Directors is approved by the Board on 27 November 2017.*