

MTD ACPI ENGINEERING BERHAD AND GROUP

NOMINATION POLICIES

The Board of Directors of MTD ACPI Engineering Berhad (“**MTDACPI**”) [**“Board”**] is committed to establishing the nomination policies of MTDACPI and its subsidiaries (“**MTDACPI Group**”), to identify, evaluate and recommend candidates for the Board, Board committees and senior management including, candidates recommended by the shareholders of the Company.

The following policies have been approved by the Board for MTDACPI Nomination Committee, to ensure the Board comprised of individuals who are best able to discharge their responsibilities as directors, and the nomination and performance evaluation process are equitable and transparent:

1. The Nomination Committee is guided by its Terms of Reference approved by the Board;
2. Ensure the Board has a sufficient size with the appropriate balance of skill and experience to meet MTDACPI Group’s present and future needs;
3. Promote woman representatives on the Board, as part of gender diversity plan to reach 30% by year 2016;
4. Ensure the composition of the Board and Board committees at all times adhere to the standards of independence promulgated by Bursa Malaysia Securities Berhad Main Market Listing Requirements;
5. Ensure MTDACPI Group establish clear and appropriate selection criteria for membership on the Board;
6. Ensure continued improvement on directors and senior management’s performance through effective trainings to enable each individual contribute as part of the Board team, to the effectiveness of the Board of MTDACPI Group;
7. Review the succession plan in place for the Board Chairman, President & Chief Executive Officer and senior management, and constant evaluation of potential successors with the Board for continuation of operation;
8. Ensure no individual may be involved in determining his performance assessment and the evaluation results to be conveyed and explained to the directors and senior management for improvement;

MTD ACPI ENGINEERING BERHAD AND GROUP NOMINATION POLICIES (CONTD.)

9. Ensure directors perform such other duties as may be assigned by the Board from time to time or as may be required by applicable regulatory, authorities and legislation;
10. Ensure appropriate disclosure to shareholders, and all statutory and regulatory obligation are complied by MTDACPI Group;
11. A Member of the Nomination Committee must not participate in any review / assessment of his own performance; and
12. Authority is vested on the Board to approve and implement policies and procedures as specified in this Policy and Terms of Reference of the Nomination Committee. It is the responsibility of the Board to ensure the Policy and Terms of Reference of the Nomination Committee are properly documented reviewed, and revised from time to time in accordance to changes in the applicable statutory and regulatory requirements and Board Charter.

ENDORSED FOR AND ON BEHALF OF THE BOARD,

DATO' IR. A. RASHID BIN OMAR
CHAIRMAN
MTD ACPI ENGINEERING BERHAD

Date: 25 February 2015