



GRAND HOOVER BERHAD (10493-P)

PROCEDURE OF RECRUITMENT/SELECTION FOR DIRECTORSHIP

1. Objective

To maintain balance between competitiveness and accountability in a recruitment/selection procedure that enhances good governance and promote an independent and objective process.

2. Process

- (i) Determine mix of skills or competencies required to direct and manage the business of the Group having regard to the medium term Business Plan (including core businesses) and Strategy to achieve the plan.
- (ii) Determine size and composition of Board and Non-Executive representation including the number of Board Committees to be established.
- (iii) Determine if any vacancies to be filled and the specifications in respect of skill and competencies required of each of the candidates to be comprised in the Board and identified for role in any Committees.
- (iv) Obtain Board approval of the candidate specifications.
- (v) Plan recruitment, interview and selection process and structure it to make most efficient use of Board's or candidate's time.

3. Procedures for recruitment/selection

- (i) Drawing up specifications:-
 - Criteria would be different for Executive and Non-Executive Director.
 - Career experience which the Board feels is essential and desirable.
 - Personal qualifications and characters such as professionalism, skills, knowledge, expertise, experience, integrity, ability to discharge function/responsibilities including age profile.
 - List of companies which the candidates cannot be currently be involved in because of a conflict of interest.
 - Estimate time in days per month that the Board would expect a Non-Executive Director to spend on the Company's affairs.
 - Inform Board meeting schedules and location.



- Decide on written briefing materials, publications which Directors feel would be important for potential candidates to study before meeting the Board.

(ii) Search of candidates:

- Internally initiated by the Chairman or a sub-committee of the Board to oversee search and interview process; or
- Use of external consultants or advisers to assist in search which would involve expense but could be money well spent as:-
 - Gain access to the wider choice
 - Check on potential conflicts of interest before company's identity is revealed
 - Consultants help to sustain momentum as it is time consuming and cause embarrassment
 - Evidence that a thorough and professional process has been used in making the appointments
 - Even if Board has a strong candidate, constructive to look outside and make comparisons
 - Preserve confidentiality, establish availability
- Then if company decides to use external consultants to assist:-
 - (a) Choose the consultants
 - (b) decide which members of the Board for consultation
 - (c) to meet them to refine specifications or criteria

(iii) Meeting candidates:-

- After potential candidates have been identified
- Discuss with Chairman or sub-committee of the Board
- Board members to report to sub-committee in confidence with comments
- Candidates have opportunity to meet all the Board members before an offer is made.



(iv) Making the recruitment/selection:-

- How relevant is the candidate's past career experience in terms of agreed specifications?
- Is candidate's experience and his cast of mind and outlook complementary to that of the current Board members? Simply reproducing skills and mindset already present may make for a more congenial team but is less likely to add value to the Board.
- Commitment of time:-

Determine if current portfolio of candidate is full. While it may seem attractive in terms of credibility for a full portfolio but may not be appropriate if the person concerned is unable to commit sufficient time to Company's matters.
- Can Board have a successful working relationship?
- For recruitment/selection of Non-Executive Director, is the candidate meets the level of independence that in line with the Main Market Listing Requirement of Bursa Malaysia Securities Berhad?

(v) Issue Letter of Appointment upon selection:-

Principal contents:-

- Duration of appointment
- Committees
- Role in committees
- Remuneration
- Reimbursement of expenses
- Procedure for taking outside professional advice
- Directors/officers liabilities insurance
- Schedule of Board Responsibilities and Matters Reserved for the Board
- Frequency of Meetings avoiding conflicts of interest
- Provision for review