



# Beng Soon Machinery Holdings Limited

(Incorporated in the Cayman Islands with limited liability)  
(the “Company”, together with its subsidiaries the “Group”)  
(Stock Code: 1987)

## DIRECTOR NOMINATION POLICY

### I. Objective

- 1.1 This Policy sets out the approach and procedures the board of the Company (the “Board”) adopts for the nomination and selection of directors of the Company (the “Directors”), including the appointment of additional Directors, replacement of Directors, and re-election of Directors.

### II. Policy Statement

- 2.1 The Company recognises the importance of having a qualified and competent Board to achieve the Group corporate strategy as well as promote shareholder value.
- 2.2 The Company believes that a Board that possesses a balance of skill set, experience, expertise and diversity of perspectives enhances decision-making capability and the overall effectiveness of the Board.
- 2.3 The Board is of the view that the ultimate responsibility for the selection, nomination and appointment of Directors rests with the Board as a whole. Hence, the Nomination Committee of the Company (the “Nomination Committee”) comprises all Directors and is chaired by the Chairman of the Board.
- 2.4 When the need to fill a casual vacancy arises, the Nomination Committee will, as it considers appropriate and having regard to the expertise and skill set required for the new or replacement Director, propose candidates for the Board’s consideration, evaluating the balance of skills, knowledge, experience and characteristics of the Board and identifying special requirements for the vacancy (i.e. independence status in the case of an independent non-executive director).

### III. Selection Criteria

- 3.1 In the determination of the suitability of a candidate, the Nomination Committee shall consider the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, independence, age, culture, ethnicity and gender diversity and such other factors that it may consider appropriate for a position on the Board:
  - (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.
  - (ii) **Business Experience & Board Expertise and Skills:** The candidate should have the relevant experience, including experience at the strategy/policy

setting level, high level managerial experience in a complex organization, industry experience and familiarity with the products and processes used by the Company. The candidate should also have outstanding professional and personal reputation, professional qualifications, skills and knowledge.

- (iii) **Availability:** The candidate should exhibit the willingness to devote adequate time to discharge duties as a Board member and other directorships and significant commitments
- (iv) **Motivation:** The candidate should be self-motivated and have a strong interest in the Company's businesses.
- (v) **Integrity:** The candidate should be a person of integrity, honesty, good repute and high professional standing.
- (vi) **Independence:** Independent non-executive director ("INED") candidates must satisfy the independence requirements under the 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.

The above criteria are for reference only and are not meant to be exhaustive or decisive. The Board shall take into consideration the benefits of a diversified Board when selecting Board candidates.

## **IV. Nomination Procedures**

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

- (i) If the Board determines that an additional or replacement Director is required, it will deploy multiple channels for identifying suitable director candidates, including referral from Directors, shareholders, management, advisors of the Company and external executive search firms.
- (ii) Upon compilation and interview of the list of potential candidates, the Nomination Committee will shortlist candidates for consideration by the Board based on the selection criteria and such other factors that it considers appropriate. The Board has the final authority on determining suitable director candidate for appointment.
- (iii) The following shall be lodged at the head office of the Company at 21 Tuas South Street 7, Singapore 637111 or at the registered office of the Company at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands:-
  - a) a notice in writing by the Shareholder(s) indicating the intention to propose a person for election as a Director; and
  - b) a notice in writing by the person proposed by the Shareholder(s) for election as a Director indicating his/her willingness to be elected.

- (iv) The period for lodgment of such notices will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices may be given will be at least seven days.

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

- (i) Where a retiring Director, being eligible, offers himself for re-election, the Board shall consider and, if consider appropriate, recommend such retiring Director to stand for re-election at a general meeting. A circular containing the requisite information on such retiring Director will be sent to shareholders prior to a general meeting in accordance with the Listing Rules.
- (ii) In order to provide information of the candidate(s) nominated by the Board to stand for election at a general meeting of the Company, the Company will issue a circular to the Shareholders stating the candidate' s name, resume (including qualifications and relevant experience), proposed remuneration and other information required as required under Rule 13.51(2) of the Listing Rules.

### **V. Review and Monitoring**

- 5.1 The Board will from time to time review this Policy and monitor its implementation to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practice.

### **VI. Disclosure and Publication**

- 6.1 This Policy is available on the Company's website for public information.
- 6.2 A summary of this Policy, and the progress on achieving the objectives set in this Policy, will be disclosed in the Corporate Governance Report of the Company annually.

(March 2020)

