

**TERMS OF REFERENCE  
OF THE  
NOMINATION COMMITTEE**

# ACO GROUP BERHAD

Registration No. 201901020410 (1329739-A)  
(Incorporated in Malaysia)

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## TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

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### 1. OBJECTIVES

The principal objectives of the Nomination Committee ("Committee") are to assist the Board of Directors ("the Board") in discharging its statutory duties and responsibilities relating to succession planning and review the effectiveness of the Board and its committees. The purpose of the Committee is to:

- a) Identify individuals qualified to become members of the Board and recommend to the Board for election as members of the Board;
- b) Assessing the effectiveness of the Directors and Principal Officers such as Group Managing Director ("GMD"), Chief Operating Officer ("COO") and Chief Financial Officer ("CFO") of the Company on an ongoing basis;
- c) Assess the size, composition and desired skill set of the Board to ensure alignment with the objective, strategic direction, and emerging challenges faced by the Company.

### 2. COMPOSITION

- a) The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three (3) members.
- b) The Committee shall consist exclusively of non-executive Directors, a majority of whom are independent Directors.
- c) The members of the Committee may elect a Chairperson from amongst their number.
- d) If a member of the Committee resigns or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three (3) months, appoint such number of new members as may be required to make up the minimum of three (3) members.

### 3. AUTHORITY

The Committee shall, in accordance with a procedure to be determined by the Board and at the cost to be borne by the Company:

- a) Have adequate resources required to perform its duties;
- b) Have full and unrestricted access to information, records and documents relevant to its activities;

- c) Be able to obtain independent professional advice; and
- d) Be able to secure the attendance of external advisers and shall have the discretion to decide who else other than its own members to attend meetings, if it thinks fit.

#### **4. FUNCTIONS AND DUTIES**

##### **I. Nomination and Appointment of Directors**

- a) To nominate and recommend to the Board, candidates to be appointed as Directors of the Company after considering the required mix, skills, knowledge, experience and other core competencies, expertise, professionalism and integrity which the Directors could bring to the Board;
- b) To consider in making its recommendations, candidates for directorships proposed by the Group Managing Director and within the bounds of practicability, by the existing Directors, senior management staff, major shareholders, independent search firms and/or other independent sources;
- c) To review the Conflict of Interest ("COI") Declaration Form submitted by candidates for consideration, as guided by the COI policy, and assess any existing or potential COIs that may affect their appointment;
- d) To recommend Directors who are retiring by rotation to be put forward for re-election.
- e) To recommend to the Board, directors to fill the seats on Board committees;
- f) To ensure adherence to the Directors' Fit and Proper Policy when nominating and reviewing candidates for directorship and Directors seeking re-election, evaluating their qualifications, experience, integrity, and suitability.
- g) Facilitating achievement of Board diversity and targets.

##### **II. Board and Directors Performance**

- a) To assist the Board in its annual review of its required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the Board;
- b) To review the term of office and performance of the Board and board committees to ensure duties are carried out in accordance with the terms of reference.
- c) To review if the independent directors bring independent and objective judgement to board deliberations.
- d) To recommend to the Board for the continuation or discontinuation in service of Directors as an Executive Directors or Non-Executive Directors;
- e) To recommend Directors who are retiring by rotation to be put forward for reelection.
- f) To assist the Board in implementing an assessment programme to assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual director on an annual basis;

### **III. Succession Planning and Training**

- a) Reviewing the succession plans of the Board and of the board committees.
- b) Reviewing training programmes for the Board and ensure that all newly appointed Directors undergo appropriate induction programmes and receive continuous training; and

### **IV. Principal Officers**

- a) To review the appointment and termination of Principal Officers such as CEO, COO and CFO of the Group, also referred to as Key Senior Management.

## **5. MEETINGS**

- a) The quorum for each meeting shall be at least two (2) members.
- b) The Committee shall meet at least once a year. However, additional meetings may be called at any time at the discretion of the Nomination Committee Chairperson.
- c) In the absence of the Chairperson, the members present shall elect a Chairperson for the meeting from amongst the members present.
- d) The Committee may invite any person to attend the meeting to assist in its deliberations.
- e) The Committee is allowed to carry out the resolution by way of circulation.
- f) The Company Secretary shall act as Secretary of the Committee and shall be responsible, with the concurrence of the Chairperson, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.
- g) The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.
- h) The minutes of the Committee shall be made available to the Board.

The Terms of Reference of the Committee was adopted on 22 August 2019. Subsequent review was performed on 28 February 2023 and 24 October 2024.