



## **NOMINATION COMMITTEE – TERMS OF REFERENCE**

### **1. Objectives**

The Nomination Committee (“NC” or “the Committee”) was formed by the Board of Directors of the Company with its primary function, in line with the Malaysian Code on Corporate Governance is to assist the Board in the following areas:-

- Proposing new nominees for appointment to the Board of the Company – the actual decision as to who shall be nominated shall be the responsibility of the Board after considering the recommendations of the Committee;
- Assessing the effectiveness of the directors of the Company on an ongoing basis;
- Review the effectiveness of the Group Managing Director, Chief Financial Officer and other senior management;
- Assess the size and composition of the Board and the relevant Board Committee;
- Ensure that each of its directors, Managing Director, chief financial officer and chief operating officer has the character, experience, integrity, competence and time to effectively discharge his role as a director, Managing Director, chief financial officer or chief operating officer, as the case may be; and
- Ensure the policy and criteria to conduct periodic evaluation for effectiveness of the Board and Board Committees as well as individual directors by robust processes and procedures taking into consideration the needs of the Board such as mix of skills, independence, experience, industry knowledge and diversity (including gender diversity).

### **2. Composition**

The members of NC shall be appointed from amongst the Board and shall:-

- a) comprise no fewer than two (2) members. If the membership for any reason falls below three (2) members, the Board shall, within three (3) months of that event, appoint such members as may be required to fulfil the minimum requirement;
- b) comprise exclusively non-executive directors, a majority of whom are independent;
- c) elect a Chairman from its members. The Chairman shall be an Independent Non-Executive Director or the Senior Independent Director; and
- d) The appointment of the NC member would be terminated when the member ceases to be a Director, or determined by the Board.

Pursuant to Practice note 1.4 of the Malaysian Code on Corporate Governance 2021, the Chairman of the Board should not be a member of or involved in the Audit Committee, Nomination Committee or Remuneration Committee. This is to ensure there is check and balance as well as objective review by the Board



### **3. Quorum and Meeting Procedures**

The Committee shall meet at least once a year. More meetings may be conducted if necessary.

Upon the request of any member of the Committee, the Chairman of the NC shall convene a special meeting of NC to consider any matter brought up by the members.

The quorum for a meeting of the Committee shall be two (2) members. In the absence of the Chairman, the members present shall elect a Chairman for the meeting among the members present.

The secretary of the Company or his/her representative shall act as the secretary of the Committee (the Secretary). The Secretary, in conjunction with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers to the members of the Committee, at least one (1) week prior to each meeting.

The Secretary shall also be in attendance at each Committee meeting and responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and other members of the Board.

By invitation of the Committee, the Group Managing Director and other appropriate officers may be invited to attend the Committee meeting, where their presence are considered appropriate as determined by the Committee's Chairman.

A Committee member shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to a situation of an actual, potential or perceived conflict of interest for the member. Where this cause insufficient Committee members to make up a quorum, the Committee has the right to invite/appoint any Director or Directors from the Board (excluding the Chairman of the Board) to fulfill the membership criteria temporarily. A notice of invitation/appointment is issued to the selected Director or Directors to attend the meeting.

The Chairman shall submit an annual committee report to the Board, summarising the Committee's activities during the year and the related significant results and findings thereof, including details of relevant training attended by each Committee member. The activities of the Committee in the discharge of its duties for the relevant year should also be included in the Annual Report.

The Committee members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.



The Committee may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A resolution in writing, signed, approved or assented by letter, electronic mail, telegram, telex, telefax or other electronic communication by all Committee members, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one (1) or more Committee members and may be transmitted to the Company by any technology purporting to include a signature and/or electronic or digital signature of the Committee members including but not limited to signing with a platform such as DocuSign.

#### **4. Advisers**

The Committee is authorised by the Board to seek appropriate professional advice inside and outside the Group at the expense of the Company as and when it considers necessary in the discharge of its responsibilities.

#### **5. Responsibilities and Duties**

In fulfilling its primary objectives, the Committee shall undertake the following responsibilities and duties:-

##### New Appointment

- a) Review and Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board. In making its recommendations, the Committee shall assess and consider the following attributes or factors:-
- skills, knowledge, expertise and experience;
  - professionalism;
  - commitment (including time commitment) to effectively discharge his/her role as a Director;
  - contribution and performance;
  - Professionalism;
  - background, character, integrity, and competence;
  - in the case of candidates for the position of Independent Non-Executive Directors, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors;
  - Boardroom diversity including gender, age, cultural background and ethnic diversity; and
  - any business interests that may result in a conflict of interest that may arise within the Company or the Group.

in the case of candidates for the position of Independent Directors, the Committee should also evaluate the candidates' ability to discharge such responsibilities / functions as expected from Independent Directors. In considering independence, it is necessary to focus not only a director's background and current activities qualify him or her as independent but also whether the Director can act independently of management.

- b) For the position of Independent Directors, the Committee should also evaluate the candidate's ability to discharge such responsibilities/functions as expected from Independent Directors. In considering independence, it is necessary to focus not only a Director's background and current activities to qualify him or her as independent but also whether the Director can act independently of management.
- c) To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors. The Board nomination and election process as well as the criteria used in the selection process and the assessment undertaken in respect of its Board, committees and individual Director should be disclosed in the Annual Report.

If the selection of candidates was solely based on recommendations made by the existing board members, management or major shareholders, the NC should explain why other sources were not used.

- d) In developing its procedures and making recommendations to the Board, the Nomination Committee will take into account of:
  - i) The provisions in the Company's Constitution, the Companies Act 2016, the Bursa Malaysia Securities Berhad Main Market Listing Requirements and other laws and regulations, if any, in respect of the appointment, removal, etc of directors;
  - ii) The need for the Board to operate an open and transparent appointment process. This may include public advertisement or direct approaches being made to individuals who may be suitable or organizations that may be able to advise;
  - iii) The overall composition and balance of the Board.
- e) To ensure the composition of the Board is refreshed periodically by reviewing the tenure of each Director and the re-election of a Director should be contingent on satisfactory evaluation of the Director's performance and contribution to the Board. Independent Non-Executive Director who is retained beyond nine (9) years has to provide strong justification in exceptional circumstances and seek shareholders' approval. In obtaining the shareholders' approval, Nomination Committee should assess the Independent Director and recommend to the Board of Directors whether the Independent Non-Executive Director should remain independent or be re-designated. The Board shall have to recommend, justify and seek annual shareholders' approval through a two (2) tier voting process in accordance with the Board Charter.



Re-election, Re-appointment, Re-designation and Resignation/Termination

- f) Recommend to the Board, the Directors to fill the seats on Board committees.
- g) To recommend to the Board on the re-designation of the Independent Director to Non-Independent Director should the tenure of an Independent Director exceed a cumulative terms limit of 9 years. If the Board intends to retain an Independent Director beyond 9 years, it should be subjected to the following:-
  - i) annual assessment by the NC, regarding the independence and contributions; and
  - ii) annual shareholders' approval through two-tier voting process in a general meeting, where the Board provides strong justification on the recommendation in the explanatory notes to the resolution in the notice of a general meeting.

Specific Nomination and Succession Planning

- h) To recommend to Board protocol for accepting new directorships.
- i) Plan for succession to the position of Chairman of the Board and Group Managing Director as well as ascertain other senior management positions in the Group. The Group Managing Director annually provides the Committee with an assessment of senior management and their potential.
- j) keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- k) Give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in future.
- l) Make recommendations to the Board concerning the succession plans for Executive Directors and in particular for the Group Managing Director.
- m) To assess the fitness and properness of each individual Director during his/her appointment as a Director or annual re-election of the Directors based on the following factors:
  - i) compatibility within the overall composition of the Board to match the profile and activities of the Company;
  - ii) willing to act or continue to act as a Director of the Company after being made aware of his/her responsibilities as a Director;
  - iii) is or willing to be familiar with the Company's business activities and its operating



environment;

- iv) has the ability to attend board meetings, either physically or virtually, based on the form of participation required of the Director;
- v) the multiple directorships of the Director do not result in a conflict of interest with the Company, puts the Director in a position where commercially sensitive information could be misused against the Company or cause the Director to be unable to provide the required time commitment to the Company;
- vi) is a Director or shareholder of an entity in countries that are classified as high risk under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001.

The Nomination Committee may engage a professional, experienced and independent party to facilitate the Board evaluation.

- n) Make any necessary recommendations to the Board concerning the continuation in office, suspension or termination of service of any director of the Group (the exception of Executive Directors whose employment is subject to the provisions of their service contracts, if any).
- o) To administer the annual assessment of Directors, including a review of the skill, qualification and competencies of the Board as a whole, the committees of the board and for assessing the contribution of each individual director, including independent non-executive directors, as well as the chief executive officer and to review the character, experience, integrity, competence and time commitment to effectively discharge the roles of each of its director, chief executive and chief financial officer\*. All assessments and evaluations carried out to be properly documented. Thereafter to recommend the annual re-election of the Directors to the Board for the shareholders' approval at the Annual General Meeting in accordance with the Company's Constitution.
- p) Review the term of office and performance of the Audit Committee and each of its members to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

#### Induction training and training needs analysis

- q) To facilitate Board induction programme for newly appointed Directors with respect to the business, structure and management of the Group.
- r) To ensure that all Directors and senior management receive appropriate continuous training in order to keep abreast with the industry and with changes in the relevant statutory and regulatory requirements and to be equipped with the knowledge and skills to contribute effectively to the Board.
- s) Establish management development programme for the Company.



- t) Carry out such other assignments as may be delegated by the Board.

## **6. Procedures**

The Board follows formal and transparent procedures when appointing directors, as follows:-

- a) The Committee shall prepare descriptions of the director characteristics that the Board is looking for in a new appointment.
- b) The Committee will seek professional advice as and when it considers necessary to identify a short-listed of suitable candidates and a list of nominations for candidates proposed by the Group Managing Director, and within the bounds of practicability, by any other senior executive, director or shareholder for considerations.
- c) All the candidates are interviewed by at least two (2) members of the Committee whose evaluations will be circulated to all the members of the Committee. A target appointment date is then fixed.
- d) The Committee will then have to make a majority decision in recommending the appointment to the Board.
- e) The Board will then decide on the best candidate by ballot or majority decision and a Board resolution will be passed to appoint the candidate.
- f) The written consent of the nominees to act if elected shall be secured.
- g) The Committee shall focus on the need for the Board to operate an open and transparent appointment process. This may include public advertisement or direct approaches being made to individuals who may be suitable or organizations that may be able to advise.
- h) The Committee shall take into account on the overall composition and balance of the Board.

The Committee shall regulate its own procedure to be followed in the discharge of its duties and responsibilities. The regulation and implementation of such procedure shall, as far as circumstances permit, be in line with the principles and requirements of the Malaysian Code on Corporate Governance.

## **7. Periodic Review**

This Terms of Reference shall be reviewed annually by the Committee.

This term of reference was reviewed and approved by the Board of Directors on 28 February 2024.