



PIMPINAN EHSAN BERHAD
(201601021838) (1192777-W)
(Incorporated in Malaysia)

TERMS OF REFERENCE - NOMINATING COMMITTEE

1. Objective

The primary objective of the Nominating Committee is to establish a documented, formal and transparent procedure for the appointment of Non-Executive Directors, Executive Director and key Senior Management and to assess the effectiveness of individual Directors, the Board as a whole and the various committees of the Board.

2. Duties and Responsibilities

The duties and responsibilities of the Nominating Committee are as follows: -

(a) Board Appointment;

- i. Consider and recommend to the Board, candidates for directorship, proposed by the Managing Director / Executive Director, any senior management or any director or shareholder, or outsourced service providers, taking into consideration the candidate's skills, knowledge, expertise, competency, experience, time, commitment, character, professionalism, integrity and potential contribution while giving due consideration for diversity and inclusivity. For the position of Independent Non-Executive Directors, the Nominating Committee should also evaluate the candidate's ability to discharge such responsibilities as expected from independent non-executive directors;
- ii. Before any appointment by the Board, evaluate the balance of skills, knowledge, experience, independence and diversity on the board. Prepare a description of the role and capabilities required for a particular appointment for the Board's recommendation. In identifying suitable candidates, the Committee may;
 - use the services of external advisors to facilitate the search;
 - consider candidates from a wide range of backgrounds;

- consider candidates on merit and against objective criteria with due regard to diversity including gender and the appointees time commitment; and/or
 - request to consider the disclosure of any business interests that may result in a conflict of interest;
- iii. In the case of the appointment of a Chairman, prepare position description, including time commitment expected. Any significant commitment to be disclosed to the Board prior to appointment and any changes should be reported to the Board as they arise;
- iv. Recommend to the Board, candidates to fill the seats on Board committees, in consultation with the chairmen of those committees. In the event that the chairman's position (regardless of board / committee) is to be filled, to consult with the Board;
- v. Ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them;
- (b) Re-election, Re-appointment and Resignation/Termination;
- i. Recommend to the Board, candidates for re-election of Directors by shareholders under the annual re-election provisions or retirement, with due consideration to the extent to which the interplay of the Director's expertise, skills, knowledge and experience with those of other Board members, as well as their roles as committee members. Attention should be paid to Independent Directors who are retained beyond nine (9) years as the Board has to provide strong justification in exceptional circumstances and seek shareholders' approval. In obtaining the shareholders' approval, the Nominating Committee should conduct an assessment of the Independent Director(s) and recommend to the Board whether the Independent Director(s) should remain independent or be re-designated.
- ii. In the annual evaluation of Independent Non-Executive Directors, focus should go beyond the Independent Director's background, economic, family and work relationships with due consideration given as to whether an Independent Director can continue to bring independent and objective judgment to the Board deliberations;
- iii. Matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of an Executive Director as an employee of the Company, subject to the provisions of the law and their service contract;

- iv. The re-appointment any of the Non-Executive Director at the conclusion of his term of office having given due regard to his performance and ability to continue to contribute to the Board in terms of knowledge, skills and experience required;

(c) Senior Management Appointment;

Consider and recommend to the Board of Directors the candidates for senior management, taking into consideration the candidates' skills, knowledge, expertise and experience, commitment, character, professionalism, integrity with due regard for diversity in cultural, age, gender and background.

(d) Specific Nominations and Succession Planning;

- i. Recommend suitable candidates for the role of senior independent director, as applicable;
- ii. Periodically report to the board on succession planning for the board chairman, directors and key management personnel, particularly the Executive Director/CEO. The Board should work with the Nominating Committee to evaluate potential successors, taking into account the challenges and opportunities facing the company, and the skills and expertise, including diversity, needed on the Board in the future;

(e) Annual Performance Assessment of Board, Committees and Individual Directors;

- i. Annually review the required mix of skills, experience, commitment, performance, diversity and other qualities, including core competencies and effectiveness of the board as a whole, the board committees and the contribution of each individual directors. All evaluations carried out by the Nominating Committee in the discharge of its functions should be properly documented;
- ii. This process should be coordinated by the Nominating Committee, with the assistance of the Company Secretary, and thus, reporting to the board at the end of each financial year with an assessment of the boards performance and areas in which the board, board committees or individual director could improve;
- iii. Annually review the time required of non-executive and independent directors. Performance assessments should be undertaken to assess whether the directors are spending enough time to fulfil their duties;
- iv. Evaluate and appraise the performance of the chairman of the board to be led by the senior independent director;

(f) Induction Training and Training Needs Analysis;

- i. Review the induction and training needs of directors. Ensure the training programme attended by the directors must be ones that aid the director in the discharge of his duties;

(g) Size of Board and Independent Directors;

- i. Assess the desirable balance in board membership by reviewing the size, structure and composition of the board, taking into consideration the number of directorships;
- ii. Assess desirable number of independent directors; and
- iii. Consider the representation of interest groups as part of boardroom diversity. Factors to consider includes gender, race, religion, nationality, professional background and culture. The selection and assessment/evaluation criteria shall be as per the following forms and checklist:
 - Independent Directors Self-Assessment Checklist;
 - Directors/Key Officers Evaluation Form;
 - Board Skills Matrix Form; and
 - Board & Board Committee Evaluation Form.

3. Composition

The Nominating Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members. All members shall be Non-Executive Directors, with the majority being Independent Directors.

The term of office and performance of the Nominating Committee and each of its members shall be reviewed by the Nomination Committee annually to determine whether the Nominating Committee and its members have carried out their duties in accordance with its Terms of Reference.

4. Chair

The Chair of the Nominating Committee shall be elected from amongst the Nominating Committee members. The Chair of the Committee shall be approved by the Board of Directors.

5. Secretary

The Secretary of the Nominating Committee shall be the Company Secretary. The Secretary is responsible to prepare the minutes of the Nominating Committee meetings and circulate the minutes of the Nominating Committee meetings promptly to all members of the Nominating Committee and table the same to the Board for notation. The minutes of the Nominating Committee meetings shall be kept at the registered office of the Company and shall be open for inspection by the Board.

6. Meetings

The Nominating Committee shall meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once (1) a year or more frequently as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion.

The quorum for any meeting of the Nominating Committee shall be two (2) of the members of the Nominating Committee.

The members of Nominating Committee may participate in a meeting from separate locations by means of conference telephone or other communication equipment which allows those participating to hear each other, and shall be entitled to vote or be counted in the quorum accordingly.

The Nominating Committee shall reach decisions by a simple majority of those voting on the issue in question. If the numbers of votes for and against a certain proposal are equal, the Nominating Committee Chair shall have a casting vote.

A resolution in writing signed or approved by letter, telefax or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as "Nominating Committee's Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one or more directors.

7. Authority

The Committee for the performance of its duties shall have access to the Company Human Resources function, including without limitation, its information, records, properties and personnel for the discharge of its responsibilities, including obtaining independent professional advice at the Company's expense and periodic review of its terms of reference against its performance.

8. Revision and Approval

This Terms of Reference will be reviewed and updated annually to ensure it remains consistent with the Nominating Committee's objectives and responsibilities.

This Terms of Reference is approved by Board of Directors on 28 April 2021 and revised on 30 June 2022.