

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

1. CONSTITUTION

The Nomination Committee ("**NC**") is established as a committee of the Board of Directors ("**the Board**") of Benalec Holdings Berhad ("**Company**" or "**Benalec**") and its subsidiaries (collectively referred to as "**Benalec Group**"), who authorises the Terms of Reference ("**TOR**") of the NC.

2. OBJECTIVES

The principal objectives of the NC are as follows:-

- 2.1 to assess and recommend suitable candidate for appointment to the Board and Board Committees of the Company on an ongoing basis, with a view to ensure that the Board composition meets the needs, objectives and aspirations of the Company and that the recommended candidates can contribute to the existing Board and Benalec Group.
- 2.2 to assist the Board in reviewing on an annual basis the appropriate size and balance of the Board, with the view to ensure that the Board has the appropriate size, mix of skills, knowledge, competencies, experiences, resources and time commitment and other qualities. The NC shall take into account diversity in addressing the Board's composition.

3. COMPOSITION

- 3.1 The NC members shall be appointed by the Board from amongst the Non-Executive Director ("**Non-ED**") and shall consist of not less than three (3) members, all of whom shall be Non-ED with the majority being Independent Directors ("**ID**").
- 3.2 In any event the number of NC falls below 3, the vacancy shall be filled as soon as possible, but shall not be later than 3 months of that vacancy.
- 3.3 The Board may revoke the appointment of a member and/or vary the term of appointment of a member at any time as it deems fit.
- 3.4 The Board shall assess the effectiveness of the NC on an annual basis. Alternatively, the assessment of the NC's performance can be carried out by individual members of the NC on a peer assessment basis, with the results forwarded to the Board for consideration, as appropriate.

4. CHAIRMAN

The Chairman of the NC shall be the Independent Non-Executive Director ("**INED**") or a Senior Independent Non-Executive Director ("**SINED**") identified by the Board. In the absence of the Chairman of the NC, the members may elect among themselves the Chairman for the meeting.

5. AUTHORITY

- a. The NC is authorised by the Board to have full, free and unrestricted access to the relevant records of the Company.
- b. The NC is authorised by the Board to seek any information it requires from any employee of the Company/Benalec Group in order to perform its duties.
- c. The NC is authorised by the Board to engage/obtain, at the Company's expense, outside legal or other professional and/or independent advice on matters within its TOR and/or to carry out its duties.
- d. The NC make no decision on behalf of the Board but makes recommendation to the Board.
- e. The Executive Director(s) and Non-EDs shall abstain from the deliberations and voting in respect of their own remuneration.

6. DUTIES

The scope and function of NC includes the following:-

- 6.1 To determine the criteria for Board membership, including qualities, experience, skills, education and other factors that will best qualify a nominee to serve on the Board.
- 6.2 To review annually and recommend to the Board with regard to the structure, size, balance and composition of the Board and Committees including the required mix of skills and experience, core competencies which Non-EDs should bring to the Board and other qualities to function effectively and efficient and to ensure the composition of the Board comprises a balance of at least half (50%) IDs.
- 6.3 To recommend to the Board, the Directors to fill the seats on Board Committees, including membership and chairmanship of the Board Committees.
- 6.4 To consider, evaluate and propose to the Board any new board appointment, whether of executive or non-executive position. The proposed candidate may be sourced from existing Directors' network and referrals from incumbent Directors and business associates, senior management or major shareholders, independent search firms and other independent sources. In making a recommendation to the Board on the candidate for directorship, the Committee shall consider the relevant selection criteria as follows:-
 - a.
 - i. Specific knowledge, skills and relevant working experience (capability);
 - ii. Training and qualifications (competence);
 - iii. Time commitment of the candidate;
 - iv. Independence and conflicts of interest;
 - v. External directorship of the candidate;
 - vi. Probity, integrity and reputation; and
 - vii. Other considerations including age, ethnicity and gender.
 - b. The candidates for a Non-ED should be persons of calibre, credibility and have the necessary skill and experience to bring an independent judgement to bear on issues considered by the Board.
 - c. The NC shall also ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 198 of the Companies Act 2016.

- 6.5 To establish and implement processes for assessing the effectiveness of the Board as a whole, the Committees of the Board and for assessing the contribution of each Director (including the assessment of independence of the IDs).
- 6.6 To consider the need to appoint a SINED, and if deemed appropriate, recommend to the Board for approval. In considering the candidate for the position of SINED, the NC shall assess the required knowledge and other qualities necessary for the effective discharge of his/her responsibilities.
- 6.7 To review and evaluate on an annual basis:-
- the effectiveness of each Director's ability to contribute to the effectiveness of the Board and the relevant Board Committees and to provide the necessary feedback to Directors in respect of their performance;
 - the effectiveness of the Committees of the Board;
 - the effectiveness of the Board as a whole;
 - the term of office and performance of the Audit Committee (“AC”) and each of its members to determine whether the AC and its members have carried out their duties in accordance with their terms of reference; and
 - the independence of the Independent Non-EDs.
- 6.8 To conduct an annual Board evaluation, where required to be facilitated by a professional, experienced and independent party.
- 6.9 To recommend to the Board:-
- a. the re-election of those Directors who are retiring at an annual general meeting (“AGM”) of the Company and to put forward for their re-election for approval at the said AGM;
 - b. the termination of services of any Board member in accordance with policy or for cause or other appropriate reasons; and
 - c. the continued retention of any INED who has served for a cumulative period of more than nine (9) years as an Independent Non-Executive Director or otherwise. Any retention of an ID beyond nine (9) years shall be subject to annual shareholders’ approval.
- 6.10 To establish an appropriate framework at the Board level for succession planning and boardroom diversity as well as to ensure appropriate focus on gender diversity.
- 6.11 To provide for adequate training and orientation of new Directors with respect to the business, structure and management of the Group as well as the expectations of the Board with regard to their contribution to the Board and Group.
- 6.12 To consider other matters as referred to the NC by the Board.

7. SECRETARY

The Company Secretary of the Company shall be the Secretary of the NC or his/her nominee shall be the Secretary of the NC.

8. MEETINGS

8.1 Frequency and calling

The NC shall meet at least once (1) a year. More meetings may be convened when the need arises. The Chairman is required to call for a meeting of the NC, if requested to do so by any NC members or the Board.

8.2 Notice

The notice period convening the meeting of the NC shall be at least seven (7) clear days, which may be waived with the consent of the majority of the NC members.

8.3 Quorum

A minimum of two (2) members, of which one (1) shall be an ID.

8.4 Recommendation to the Board

Recommendation to the Board during NC meetings must be supported by a majority of the NC members, who are not interested in the transaction. In the case of an equality of votes, the Chairman of the committee meeting shall have a second or casting vote.

8.5 Participation in meetings by conferencing

All or any members of the NC may participate in a meeting of the NC by means of a telephone conference, video conference or any communication technology, which allows all members of the NC participating in the meeting to communicate simultaneously with each other. A member of the NC so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

8.6 Minutes

Minutes are to be kept at the registered office and distributed to each NC and members of the Board. The minutes of the NC meeting shall be signed by the Chairman of the meeting presided or by the Chairman of the next succeeding meeting.

9. CIRCULAR RESOLUTIONS

A resolution in writing signed or approved by letter, facsimile, electronic mail or other forms of electronic communication by the majority of NC members, shall be valid and effectual as if it had been passed at a meeting of the NC duly called and constituted. Such resolutions may consist of several documents in like form, each signed by one or more members.

10. REVIEW OF THE TERMS OF REFERENCE

The NC shall recommend any change to its TOR in such manner as the NC deems appropriate to the Board for approval. The TOR shall be assessed, reviewed and updated where necessary.

The latest copy of the TOR of the NC shall be made available on the Company's website.