

WAWASAN DENGKIL HOLDINGS BERHAD
[Registration No.: 202201013605 (1459302-T)]
(Incorporated in Malaysia)
("the Company")

NOMINATION COMMITTEE TERMS OF REFERENCE

Terms of Reference of Nomination Committee			
Board's approval date	Effective date	Revision date	Version number
18 June 2024	18 June 2024	-	-

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1. PRIMARY PURPOSES

The primary objective of the Nomination Committee ("**Committee**") is to establish a documented, formal and transparent procedure to support and advise the Board of Directors ("**Board**") of the Company in fulfilling their responsibilities in overseeing the selection and also assessment of the performance of the Directors and Senior Management of the Company and its subsidiaries ("**Group**") on an on-going basis.

2. COMPOSITION AND MEMBERS

- (i) The members of the Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise of at least three (3) members, all of whom must be Non-Executive Directors, with a majority of them being independent.
- (ii) The Committee shall elect a Chairperson from among its members and the elected Chairperson shall be an Independent Non-Executive Director or Senior Independent Non-Executive Director but shall not be the Chairperson of the Board. The Chairperson of the Committee shall report to the Board on any matter that should be brought to the Board's attention and provide recommendations of the Committee that require the Board's approval at the Board meeting.
- (iii) No alternate director shall be appointed as a member of the Committee. The term of office and performance of the Committee and each of its members shall be reviewed by the Board annually to determine whether the members have carried out their duties in accordance with their terms of reference.
- (iv) If a member of the Committee resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months from the date of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

3. AUTHORITY

The Committee shall in accordance with the procedure or process determined by the Board and at the cost of the Company:-

- (i) The Committee is authorised to seek any information it requires from management of the Company in order to perform its duties.
- (ii) The Committee is authorised to call for any appropriate person or person to be in attendance to make presentations or furnish or provide independent advice on any matters within the scope of responsibilities.
- (iii) The Committee is authorised by the Board to obtain, at the Company's expense, external legal or other professional advice on any matters within its terms of reference.

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3. AUTHORITY (CONT'D)

The Committee shall in accordance with the procedure or process determined by the Board and at the cost of the Company:- (cont'd)

- (iv) The Committee shall be entitled to the services of a Company Secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Directors or Senior Management, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the ACE Market Listing Requirements of the Bursa Malaysia Securities Berhad ("**Listing Requirements**") or other regulatory requirements.
- (v) The Committee shall be entitled to use a variety of approaches and independent sources to ensure that it is able to identify the suitable qualified candidates. This may include sourcing from a Directors' Registry and open advertisements or the use of independent search firms, if so required. The Company is discouraged from appointing an active politician or a Member of Parliament, State Assemblyman or holds a position at the Supreme Council, or division level in a political party as a director on its Board.
- (vi) The Committee may engage an independent expert to conduct the evaluation on effectiveness of the Board, its committees and individual directors, if deemed necessary.
- (vii) If the selection of candidates was solely based on recommendations made by the existing board members, management or major shareholders, the Committee should explain why these source(s) suffice and other sources were not used.

All the recommendations of the Committee are subject to the approval of the Board of the Company.

4. DUTIES AND RESPONSIBILITIES

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

- (i) To establish an appropriate (fit and proper) selection criteria and processes, recruitment process and to recommend to the Board, candidates for all directorships of the Company and members of the relevant Board Committees;
- (ii) To oversee and shape the Group's governance policies and practices to put in place the succession planning of the Board of Directors and senior management and to achieve the board effectiveness and governance;
- (iii) When identifying candidate for directorship, aside from recommendation by the existing Board members, management or major shareholders, the Committee shall utilise independent sources or any other sources to identify the suitable qualified candidate;
- (iv) To integrate Environmental, Social and Governance ("**ESG**") considerations into nominating processes such as training criteria and ESG experience in order to recruit directors that will bring ESG expertise to the Board;

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4. DUTIES AND RESPONSIBILITIES (CONT'D)

In fulfilling its primary objectives, the Committee shall undertake, amongst others, the following duties and responsibilities:- (cont'd)

- (v) To ensure sufficient diversity and independence in the Board in order to achieve greater depth and breadth in the decision making process;
- (vi) The Chairperson of the Nomination Committee shall refer the succession planning policy duly approved by the Board of Directors of the Company to lead the succession planning for Directors and senior management and appointment of members of the Board and senior management and oversee the development of a diverse pipeline for the Board and management succession, including the future Chairperson and the Managing Director;
- (vii) To establish the mechanisms for the formal assessment on an annual basis on the effectiveness of the Board as a whole, the effectiveness of each Directors; the effectiveness of the Board of Committees and senior management; the performance of the Directors and senior management of the Company and the need to bring new skills and perspective to the Board and the senior management. Performance evaluations of the Board and Senior Management include a review of the performance of the Board and Senior Management in addressing the Company's material sustainability risks and opportunities. The annual assessment to be conducted would be based on objective performance criteria, diversity in skills, gender, new skills and perspective to the boardroom as approved by the Board from time to time;
- (viii) To utilise the annual evaluation forms duly approved by the Board to assess the effectiveness of the Board, the Board Committees and the contribution and performance of each individual Director and the Chairperson. Below is the annual evaluation process:-
 - (a) The Chairperson of the Nomination Committee shall lead and oversee the annual evaluation which involves Directors completing the annual evaluation forms, covering the Board and Board Committees processes and, the effectiveness and contribution of the Chairperson, each of the Directors to the Board and Board Committees.
 - (b) Review the findings and provide recommendations to the Board for further review and proposed actions.
 - (c) Ensure that the deliberations on the findings of the annual evaluation forms are duly recorded at the meetings of the Nomination Committee and the Board.

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4. DUTIES AND RESPONSIBILITIES (CONT'D)

In fulfilling its primary objectives, the Committee shall undertake, amongst others, the following duties and responsibilities:- (cont'd)

- (viii) To utilise the annual evaluation forms duly approved by the Board to assess the effectiveness of the Board, the Board Committees and the contribution and performance of each individual Director and the Chairperson. Below is the annual evaluation process:- (cont'd)
 - (d) The annual evaluation forms exercise will include the Directors' feedback on areas which affect the performance of the Board which, amongst others, include the following:-
 - (1) Skills matrix under the Fit and Proper Policy;
 - (2) Board mix and composition;
 - (3) Quality of information and decision making;
 - (4) Boardroom activities;
 - (5) Composition of the Board Committees;
 - (6) Contribution and performance of the Board Committees;
 - (7) Effective role in managing material sustainability risks and opportunities;
 - (8) Forward looking considerations such as mapping current board competencies against those required, to drive the Company's future strategies;
 - (9) Will and ability to critically challenge and ask the right questions;
 - (10) Character and integrity in dealing with potential conflict of interest situations;
 - (11) Commitment to serve the company, due diligence and integrity; and
 - (12) Confidence to stand up for a point of view.
 - (e) To disclose the annual evaluation methodology and results in the Corporate Governance Report of the Company.
- (ix) To review on annual basis, the meeting attendance of the Directors at the Board and/or Board Committee(s) Meetings and sufficiency of time commitment of the Directors in discharging their roles and responsibilities in the Company;
- (x) To review on annual basis, the term of office and performance of the Audit and Risk Management Committee and each of its members to determine whether the Audit and Risk Management Committee and members have carried out their duties in accordance with the terms of reference of the Audit and Risk Management Committee;
- (xi) To assess the Independent Non-Executive Directors in terms of their independence and ability to discharge their responsibilities or functions as well as the exercise of their independent judgment or their ability to act in the best interest of the Company;

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4. DUTIES AND RESPONSIBILITIES (CONT'D)

In fulfilling its primary objectives, the Committee shall undertake, amongst others, the following duties and responsibilities:- (cont'd)

- (xii) To review on an annual basis, the length of service of each Independent Non-Executive Director. The tenure of an independent director does not exceed a term limit of nine (9) years. Upon completion of the nine (9) years, the independent director may continue to serve on the Board beyond the nine (9)-year tenure provided the independent director is re-designated as a Non-Independent Director. Where the Board is of the view that the independent director can continue beyond the nine (9)-year tenure, it must justify and seek shareholders' approval annually in a general meeting. To justify retaining an independent director beyond the term limit of nine years, the board should undertake a rigorous review to determine whether the 'independence' of the director has been impaired. Findings from the review should be disclosed to the shareholders for them to make an informed decision.

Where the Board proposes to re-appoint ID beyond the nine (9)-year tenure, the Board has sought and obtained approval from shareholders annually in a general meeting through a two (2) tier voting process, where under Tier 1 shall require the vote(s) from the Large Shareholder(s) only whilst Tier 2 shall require the votes from the remaining shareholders other than the Large Shareholder(s). The decision for the resolution approving the re-appointment of such independent Director shall be based on the vote by the Large Shareholder or in the case there is more than one (1) Large Shareholder, a simple majority vote under Tier 1 and a simple majority vote under Tier 2. For avoidance of doubt, the resolution shall be deemed passed and successful only if Tier 1 and Tier 2 votes support the resolution whilst the resolution is deemed defeated where the vote between the two tiers differs or where the Large Shareholder(s) abstain(s) from voting under Tier 1;

- (xiii) The tenure of an Independent Director on the Board of the Company shall be limited to twelve (12) years in the Company and its subsidiaries. If any Independent Director had cumulatively served as an Independent Director of the Company or any one or more of the subsidiaries of the Company for more than twelve (12) years, such Independent Director may continue to serve on the Board as non-independent director;
- (xiv) To review the requirements or criteria to be used in the annual assessment of Directors and Senior Management from time to time in ensuring the Board is of an effective composition, size, and commitment to adequate discharge its responsibilities and duties;
- (xv) To review and recommend on an annual basis to the Board the appropriate size, structure, balance and composition of the Board, required mix of skills, experience, boardroom diversity and other qualities, including core competencies in order for the Board to function effectively and efficiency and to ensure that the contribution of the Directors and Senior Management are in line with the Group's requirements and in compliance with the Listing Requirements;

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4. DUTIES AND RESPONSIBILITIES (CONT'D)

In fulfilling its primary objectives, the Committee shall undertake, amongst others, the following duties and responsibilities:- (cont'd)

- (xvi) To assess annually the effectiveness and the contribution of each Independent Non-Executive Director, based on the processes and procedures laid out by the Board;
- (xvii) To recommend to the Board the removal of a Director including the Managing Director and Senior Management if he is ineffective, errant or negligent in discharging his responsibilities;
- (xviii) To develop and continually review an appropriate framework and oversee the succession planning for the Chairperson, the Board, including the Managing Director, Executive Directors and Senior Management;
- (xix) To ensure that the composition of the Board is refreshed periodically. To review the tenure of each director and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board and to consider and recommend to the Board concerning the re-election/re-appointment of Director to the Board pursuant to the provisions in the Company's Constitution and Fit and Proper Policy;
- (xx) To ensure that orientation and education programmes are provided for new members of the Board and to review on an on-going basis, the training programmes attended by the Directors and to identify or recommend the training needs for the Directors;
- (xxi) To assist the Board to assess and evaluate circumstances where Director's involvement outside the Group may give rise to a potential conflict of interest with the Group's businesses, upon receiving the declaration of the same. After deliberation with the Audit and Risk Management Committee, to recommend to the Board on the necessary actions to be taken in the circumstances where there is a conflict of interest. To ensure that the individual candidate standing for election should be transparent and make the necessary declaration of the potential conflict of interest to the Board and shareholders;
- (xxii) To provide shareholders of the Company the information they require to make an informed decision on the appointment and/or re-appointment of a director. The information should be included in the notes accompanying the notice of the general meeting;
- (xxiii) To act in line with the direction of the Board;
- (xxiv) To report summary activities of the Nomination Committee for the year which include the application of Fit and Proper Policy in compliance with the Malaysian Code on Corporate Governance, Listing Requirements and any relevant regulations; and

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4. DUTIES AND RESPONSIBILITIES (CONT'D)

In fulfilling its primary objectives, the Committee shall undertake, amongst others, the following duties and responsibilities:- (cont'd)

- (xxv) To carry out such other functions or assignments as may be delegated by the Board from time to time within the scope of the Nomination Committee or as may be required under the Listing Requirements.

5. MEETINGS OF THE COMMITTEE

- (i) The Committee shall meet together at least once a year or more frequently as deemed necessary.
- (ii) In the event the elected Chairperson is not able to attend a meeting, a member of the Committee shall be nominated as Chairperson for the meeting. The nominated Chairperson shall be an Independent Non-Executive Director.
- (iii) Any question arising at any meeting of the Committee shall be decided by a majority of votes, each member of the Committee having one (1) vote and a determination by a majority of the members of the Committee shall for all purposes be deemed a determination of the members of the Committee.
- (vi) The Committee may participate in a meeting of the Committee by means of conference telephone, conference videophone or any similar or other communication 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.
- (v) A resolution in writing signed or approved by facsimile, letter, telegram, telex or telefax or other written electronic communications by a majority of the members of the Committee and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.

All such resolutions shall be described "Committee Members' Resolutions in Writing" and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by the Secretary in the Company's minute book. Any such resolution may consist of several documents in like form, each signed by one (1) or more Committee members.

6. QUORUM

The quorum for a meeting of the Committee shall consist of not less than two (2) members; majority of members present must be Independent Non-Executive Directors.

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7. NOTICE OF MEETINGS

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend, no later than seven (7) days before the date of the meeting, except in the case of an emergency, where reasonable notice of every Committee meeting shall be given in writing or obtain a waiver of notice period from the members of the Committee. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time or such other period as the members may agree.

8. SECRETARY AND MINUTES

- (a) The Company Secretary or other appropriate Senior Management shall be the Secretary of the Committee.
- (b) The Secretary to the Committee shall be responsible, in conjunction with the Chairperson of the Committee, for drawing up the agenda and other supporting explanatory documentation for circulation to the members of the Committee prior to each meeting.
- (c) The Secretary to the Committee will also be responsible for keeping the minutes of the meetings of the Committee and circulating them to members of the Committee and to other members of the Board.
- (d) The Secretary to the Committee shall ensure that the minutes are properly kept and produced for inspection if required.

9. DIVERSITY FOR THE BOARD AND SENIOR MANAGEMENT

The Committee recognises that diversity for the Board and Senior Management is an essential element contributing to the sustainable development of the Group and shall not discriminate on the basis of ethnicity, age, gender, nationality, political affiliation, religious affiliation, marital status, education background or physical ability.

The Committee will refer to Fit and Proper Policy and Gender Diversity Policy adopted by the Company to conduct the selection and transparent process for the appointment of directors (including reappointments) and senior management. The candidate selection process should be guided by clear criteria as required under the Board Charter, Listing Requirements and guidance in the Malaysian Code on Corporate Governance. In evaluating the ability of a director to perform his role effectively, the Committee should consider among others whether a director is 'over stretched' in terms of his commitments to the board commitments, to meet the demands and expectations of the role. The Committee and the Board supports the participation of women on the Board and Senior Management. This includes at least 30% women directors in the Board composition.

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9. DIVERSITY FOR THE BOARD AND SENIOR MANAGEMENT (CONT'D)

In making recommendation of suitable candidates for the appointment of Directors (including re-appointment) and the appointment of senior management, the Committee shall consider the following:-

- Refer to the Fit and Proper Policy
- Qualifications;
- Skills and competence;
- Age;
- Merits
- Functional knowledge;
- Experience;
- Character;
- Boardroom diversity including gender diversity;
- Cultural background;
- Declaration of interest and potential conflict of interest;
- Integrity and professionalism
- Whether the person is considered politically active
- Other directorship;
- ESG experience;
- Time commitment to effectively carry out their duties; and
- In the case of candidates for the position of Independent Directors, whether the test of independence under the Listing Requirements is satisfied.

The Company's Gender Diversity Policy for the Board and Senior Management shall be disclosed in its annual report.

10. PUBLISHED AT THE WEBSITE

The written terms of reference of the Committee dealing with its authority and duties which must include the selection and assessment of directors, and such information must be made available on the Company's website.

11. REVIEW OF THE TERMS OF REFERENCE

The Board shall review and assess the relevance of the terms of reference of the Committee periodically or when changes to business environment or regulatory requirements necessitate a revision.

12. REVISION OF THE TERMS OF REFERENCE

The provisions of this terms of reference of the Committee can be amended and supplemented from time to time by a resolution of the Board.

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