

## TERM OF REFERENCE FOR NOMINATING COMMITTEE

### Definition: -

"Board" or "Directors"	: The directors for the time being of the Company or such number of them as have authority to act for the Company.
"Committee"	: The Nominating Committee of the Company.
"Company"	: Kawan Renergy Berhad and by whatever name from time to time called.

### 1. OBJECTIVES

The principal objectives of the Committee are to assist the Board of Directors in their responsibilities in nominating new candidates to the Board of Directors, lead the succession planning of the Board members and Managing Director ("MD") (or any other person assuming the similar roles and responsibilities), to assess the performance of the Board, the Board Committees and individual Directors of the Company on an on-going basis.

### 2. COMPOSITION

The Board of Directors shall elect the Committee members from amongst themselves and it must be composed of no fewer than two (2) members consisting wholly of Non-Executive Directors, a majority of whom are independent.

The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

No alternate director shall be appointed as a member of the Committee.

#### **Retirement and Resignation**

In the event of any vacancy with the result that the number of members is reduced to below two (2), the vacancy shall be filled within three (3) months thereof. Therefore, a member of the Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.

### 3. CHAIRMAN

The Chairman of the Committee shall be an Independent Director or Senior Independent Director identified by the Board of Directors.

In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the Committee meeting.

The Chairman of the Committee shall: -

- lead the succession planning and appointment of Board members, including the future Chairman and MD; and
- lead the annual review of board effectiveness, ensuring that the performance of each individual Director is independently assessed.

### 4. SECRETARIES

The Company Secretaries of the Company shall be the Secretaries of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

### 5. MEETINGS

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

The Secretaries shall on the requisition of the members of the Committee summon a meeting of the Committee and reasonable notice of every Committee meeting shall be given in writing, except in the case of an emergency, where the Committee may waive such requirement.

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.

Other Board members and/or employees may attend the Committee meeting upon invitation of the Committee.

Questions arising at any meeting of the Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Committee shall have a second or casting vote, except where two (2) members form a quorum, the chairman of a meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue shall not have a casting vote.

**6. QUORUM**

A quorum shall consist of two (2) members.

**7. MINUTES**

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Committee and to the other members of the Board. The Committee Chairman shall report on the proceeding of each meeting to the Board.

The minutes of the Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

The Committee members may inspect the minutes of the Committee at the Registered Office, or such other place as may be determined by the Committee.

**8. CIRCULAR RESOLUTION**

A resolution in writing signed by a majority of the Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.

Any such resolution may consist of several documents in like form each signed by one (1) or more Committee members. Any such document may be accepted as sufficiently signed by a Committee member if transmitted to the Company by electronic mail, telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of a Committee member.

**9. REPORTING**

The Committee shall report to the Board of Directors, either formally in writing, or verbally, as it considers appropriate on matters within its terms of reference at least once a year, but more frequently if it so wishes.

The Committee shall report to the Board of Directors on any specific matters referred to it by the Board.

The Company Secretaries shall circulate the minutes of the Committee to all members of the Board.

**10. AUTHORITY**

The Committee shall, in accordance with a procedure to be determined by the Board of Directors and at the cost and expense of the Company, where necessary and reasonable for the performance of its duties: -

- a) be able to use a variety of approaches, sources, or independent sources to ensure that it can identify the most suitable candidates. This may include sourcing from a directors' registry and open advertisements or the use of independent search firms.
- b) be able to engage an independent expert at the cost of the Company, to carry out evaluations on the effectiveness of the board, its committees, and individual directors, if deemed necessary.
- c) be able to obtain independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it is considered necessary.

**11. DUTIES AND RESPONSIBILITIES**

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

- a) To assess and recommend to the Board, the candidate for directorship, Chairman or MD, based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background, and gender.
- b) When identifying candidate for directorship, Chairman or MD, aside from recommendation by the existing Board members, management or shareholders, the Committee shall utilize independent sources or any other sources to identify the suitably qualified candidate.
- c) To assess and examine on an annual basis or as and when require, the size and composition of the Board and Board Committees, with a view to determining the impact of the number upon its effectiveness.
- d) To ensure sufficient diversity and independence in the Board to achieve greater depth and breadth in the decision-making process.
- e) To review on an annual basis, the required mix of skills, experience, gender diversity and other qualities including core competencies which Non- Executive and Executive Directors should have.
- f) To review on an 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.
- g) To review on annual basis, the term of office and performance of the Audit and Risk Management Committee ("ARMC") and each of its members to determine whether the ARMC and its members have carried out their duties in accordance with their terms of reference.
- h) To assess on an annual basis, the effectiveness of the Board as a whole, the Committees of the Board and the contribution and performance of each individual Director.
- i) To review on an annual basis, the length of service each Independent Non- Executive Director and to assess their independence and ability to exercise of their independent judgement or the ability to act in the best interest of the Company.

- j) For Independent Director whose terms have exceeded nine (9) years' tenure, to review his independence and if deem appropriate for continuance in the office, to provide justification to the Board for consideration.
- k) To review on an annual basis, the training programs attended by the Directors and to identify or recommend the training needs for the Directors.
- l) To consider and recommend the re-election of Directors who will be retiring pursuant to the Company's Constitution.
- m) To ensure all appointments and re-election of Directors are evaluated through a transparent process, including meeting the criteria of the Fit and Proper Policy.
- n) To develop and continually review the succession plan for the Board, Chairman and senior management of the Company.
- o) To consider and examine such other matters as the Committee considers appropriate.
- p) To consider any other matters as defined by the Board.

## **12. Review of Terms of Reference**

These Terms of Reference ("TOR") shall be assessed, reviewed, and updated where necessary. All amendments to the TOR, as recommended by the Committee, must be approved by the Board.

## **13. Review and Approval of This Policy**

This Policy is approved by the Board. It will be reviewed as and when required and will be updated in accordance with the needs of the Group and where necessary, i.e. where there are changes to regulatory requirement.