

**PEKAT GROUP BERHAD**  
**REGISTRATION NO. 201901011563 (1320891-U)**  
(Incorporated in Malaysia)  
("PEKAT" or "the Company" or "the Group")

**TERMS OF REFERENCE**  
**NOMINATING COMMITTEE**

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**1.0 PURPOSE**

The primary purposes of the Nominating Committee ("NC" or "Committee") are to:

- 1) assist the Board of Directors ("Board") by identifying individuals qualified to serve the Board and its Committees; and
- 2) recommend to the Board, members and chairpersons for each committee to enable the Board and committees to function effectively and efficiently.

The NC will have such other duties and responsibilities as assigned to it from time to time by the Board.

**2.0 ROLES AND RESPONSIBILITIES**

The NC's duties and responsibilities, amongst others, the following:

- (i) To review the composition and size of the Board and determine the criteria for membership on the Board, which may include, among other criteria, issues of character, judgment, independence, diversity, age, expertise, corporate experience, length of service and other commitments;
- (ii) To identify and nominate for the approval of the Board, candidates to fill Board vacancies or strengthen the Board's composition as and when they arise. Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment;
- (iii) To assist the Board to assess and evaluate circumstances where a Director 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 from the Director and thereafter, to inform the Audit Committee of the same. After deliberation with the Audit Committee, to recommend to the Board on the necessary actions to be taken in the circumstances where there is a conflict of interest;
- (iv) In identifying suitable candidates, the NC shall:
  - (a) consider open advertising or the services of external advisers to facilitate the search;
  - (b) consider candidates from a wide range of backgrounds; and
  - (c) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender and availability of time to devote to the position.

- (v) To evaluate the performance of individual members of the Board eligible for re-election, and select, or recommend for the selection of the Board;
- (vi) To assess the independence of the Independent Directors annually, and when any new interest or relationship develops and confirm the conduct of this assessment in the annual report of the Company and in any notice convening a general meeting seeking approval for the appointment or re-appointment of Independent Directors;
- (vii) To review the fulfillment of Directors' training and disclose details in the annual report as appropriate;
- (viii) To review with the Managing Director and the Executive Directors, their goals and objectives and to assess their performance against these objective as well as their contribution to the corporate strategy;
- (ix) To give full consideration to succession planning for Directors and key senior management, taking into account the challenges and opportunities faced by the Company, and the required skills and expertise that are needed by the Board in future;
- (x) To review periodically the composition of each committee of the Board and make recommendations to the Board for the creation of additional committees or the change in mandate or dissolution of committees; and
- (xi) To review the term of office and performance of all Board Committees and each of its members annually to determine whether such members have carried out their duties in accordance with their terms of reference.

### **3.0 COMPOSITION**

The NC shall be appointed by the Board from amongst their members and shall consist of not less than three (3) members. The NC members should only consist of non-executive directors with a majority of them being independent directors. The Chairman of the NC shall be an Independent Director or the Senior Independent Director.

In this respect, the Board adopts the definition of "independent director" as defined under the Bursa Securities Listing Requirements.

All members of the NC, including the Chairman, will hold office only so long as they serve as Directors of the Company. Should any member of the NC cease to be a Director of the Company, his membership in the NC will cease forthwith.

The members of the NC shall elect a Chairman from among their members who shall be an Independent Director.

The effectiveness of the NC shall be assessed by the Board on an annual basis.

### **4.0 MEETINGS**

The NC shall meet as and when the need arises subject to at least one (1) meeting per year.

Notice calling for a meeting of the NC shall be given to all its members at least five (5) calendar days before the meeting or at shorter notice as the Committee shall determine.

Two (2) members present at a meeting shall form a quorum, of which one shall be an independent director.

Matters at any meeting shall be decided by a majority vote of the members present, each member having one (1) vote. In the event of equality of votes, the Chairman of the Committee shall have a second or casting vote. However, at meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairman of the Committee will not have the second or casting vote.

The Chairman of the Committee shall chair the NC's meetings. If he is not present at any meeting within fifteen (15) minutes of the time appointed for holding the same, the members of the NC present shall choose one of their numbers to be the Chairman of the meeting.

A NC member may not leave the meeting by disconnecting his instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the meeting and a NC member will be conclusively presumed to have been present and to have formed part of the quorum at all times during the NC meeting by instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the NC meeting to leave the meeting.

Minutes of the proceedings at a NC meeting by instantaneous telecommunication device will be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as correct minutes by the Chairman of the NC meeting.

*\*Instantaneous telecommunication device means any telecommunication conferencing device with or without visual capacity.*

The minutes of the NC 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 minutes of the NC, when approved by the NC and signed by the Chairman of the NC, should be circulated to the Board.

A resolution in writing, signed by all members of the NC, shall be as effectual as if it has been passed at a meeting of the NC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more NC members.

## **5.0 REPORTING**

The NC, through its Chairman, shall report a summary of significant matters to the Board at the next Board meeting after each NC meeting. When presenting any recommendation to the Board, the NC will provide such background and supporting information as may be necessary for the Board to make an informed decision.

## **6.0 AUTHORITY**

The NC shall have the authority, as necessary and appropriate, to consult with outside advisers to assist in their duties to the Company including to utilise independent sources to identify suitably qualified candidates for members of the Board and Senior Executives.

## **7.0 SECRETARY**

The Company Secretary or other persons appointed by the Board (if any) shall be the Secretary of the NC and shall be responsible, with the concurrence of the Chairman of the NC, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting and shall be entrusted to record all proceedings and minutes of all meetings of the NC.

## **8.0 REVIEW OF NC**

Review its own performance and terms of reference periodically or as and when required in compliance with the regulations to ensure that the NC is operating at maximum effectiveness and recommend any change it considers necessary to the Board for approval.

## **9.0 INFORMATION FOR ANNUAL DISCLOSURE**

The NC shall provide such information to the Board as necessary to assist the Board in making a disclosure in the Annual Report in accordance with the Malaysian Code on Corporate Governance and the ACE Market Listing Requirements of Bursa Securities.

The Terms of Reference of the NC was approved by the Board on 17 September 2020.