



PROGRESSIVE IMPACT CORPORATION BERHAD
(Company No: 203352-V)
(Incorporated in Malaysia)

TERMS OF REFERENCE OF NOMINATION COMMITTEE

1. Composition of the Nomination Committee (“NC”)

- 1.1 The NC shall be appointed by the Board of Directors of the Company (“Board”) and shall consist of not less than two (2) members comprising exclusively of Non-Executive Directors, a majority of whom must be independent.

In the event of any vacancy in the NC resulting in the number being reduced below two (2), the Board must take steps to fill the vacancy within three (3) months.

- 1.2 The members of the NC shall elect a Chairman among themselves who shall be an Independent Director or the Senior Independent Non-Executive Director.
- 1.3 The Chairman of the Board shall not be a member of the NC.
- 1.4 The Board shall review the term of office and performance of the NC and each member annually to determine whether the members have carried out their duties in accordance with the Terms of Reference of the NC.

2. Duties and Responsibilities of NC

The NC shall be responsible for the following:-

2.1 Size and Composition of Board and Board Committees

- (a) Ensure that the composition of the Board is refreshed periodically based on the strategies and results of the Board evaluation and performance (including knowledge and skill sets required to perform its oversight role in relation to the sustainability management).
- (b) Assess and recommend to the Board, Directors to fill the seats on board committees.

2.2 Directors

- (a) Identify, assess and recommend to the Board, the candidature of new Directors (whether proposed by the Board or nominated the members of the Company).

The NC may use a variety of approaches and sources to identify the most suitable candidates for board position such as recommendation from existing Board members, Senior Management, major shareholders, sourcing from directors’ registry, open advertisements or engaging professional recruitment firms.

In making its recommendations, the NC shall ensure that the appointment of Directors is based on objective criteria and merits, with due regard given to the following:-

- (i) skills, expertise, experience, age, cultural background and gender to achieve boardroom diversity
- (ii) professionalism and track record
- (iii) ability to devote sufficient time commitment to serve the Board effectively
- (iv) contribution and performance
- (v) character, integrity, ability to lead by example, competence and reputation
- (vi) ability to understand financial statements and form a view on the information presented
- (vii) any conflict or potential conflict of interest, whether the candidate has a business, family or other special relationship within or outside of the Company that could affect the execution of his/her role as Director of the Company;
- (viii) as for the position of Independent Director, the NC shall evaluate the candidate's ability to discharge his/her duties and responsibilities as expected from an Independent Director
- (ix) such other criteria as may be deemed fit by the NC.

If the candidate is recommended by Board members, Senior Management or major shareholders, the NC shall explain why these sources suffice and other sources were not used.

Any nomination that may cast doubt on the integrity and governance of the Company should be avoided.

- (b) Develop the criteria for assessing the independence of Independent Directors.
- (c) Develop and review the criteria to be used in the annual assessment of the Board, Board Committees and Directors.
- (d) Review the Board's policies and procedures for the selection of Board members.
- (e) Recommend to the Board, the protocol for accepting new directorships.

2.3 Senior Management

Ensure the appointment of Senior Management is based on objective criteria, merit and with due regard to diversity in skills, experience, age, cultural background and gender.

2.4 Assessment

- (a) Review the tenure of each Director annually.
- (b) Review and recommend to the Board whether Directors who are retiring by rotation should be put forward for re-election and ensure the re-election shall be contingent on satisfactory evaluation of the Director's performance and contribution to the Board.
- (c) Review the term of office and performance of all the Board Committees and each of their members annually to determine whether they have carried out their duties in accordance with the respective Terms of Reference.

- (d) Assess the effectiveness of the Board and board committees annually.
- (e) Assess the individual Directors annually. The annual assessment should include an evaluation of their:
 - (i) will and ability to critically challenge and ask the right questions
 - (ii) character and integrity in dealing with potential conflict of interest situations
 - (iii) commitment to serve the company, due diligence and integrity
 - (iv) confidence to stand up for a point of view
- (f) Review the NC's own performance annually and present the results of the evaluation to the Board.
- (g) Assist the Board in undertaking an annual assessment of the independence of Independent Directors.

Where there is an Independent Director whose term will exceed/has exceeded the nine (9)-year tenure, the NC shall justify the recommendation to retain the Independent Director after the ninth (9th) year to the Board for consideration.
- (h) Ensure performance evaluation of the Board and Senior Management include a review of their performance in addressing the Company's material sustainability risks and opportunities.
- (i) Deliberate on matters relating to the continuation in office of any Director at any time, including the suspension or termination of the services of any Executive Director as an employee of the Company or its subsidiaries subject to the provisions of the law and the service contract.

2.5 Succession Plan

- (a) Establish and ensure there is a succession plan at Board level with consideration on the need to bring new skills and perspective to the boardroom.
- (b) Ensure that Senior Management has the necessary skills and experience and there are measures in place to provide for orderly succession.

2.6 Induction and Training

- (a) Facilitate board induction for newly appointed Directors.
- (b) Assist the Board in identifying suitable training programs for Directors to ensure they keep abreast with the development within the industry and regulatory changes, including sustainability issues relevant to the Group's business.

2.7 Others

- (a) Facilitate the establishment and achievement of diversity policies and targets, including gender diversity for Board and Senior Management.
- (b) Consider and examine such other matters as may be directed by the Board or brought to its attention.

3. Meeting Procedures

3.1 Frequency of Meetings

The NC shall meet at least once in each financial year. Additional meetings may be called as and when required.

3.2 Venue and Participation

- (a) The NC meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enable the NC members as a whole to participate for the entire duration of the meeting, and that all information and documents for the meeting must be made available to all members prior to or at the meeting.
- (b) The technology to be used for the purpose of this paragraph must enable each NC member taking part in the meeting to communicate simultaneously with each of the other NC members and may include telephone, television, video conferencing, or any other audio including visual device which permits instantaneous communication.
- (c) A virtual NC meeting shall be deemed to constitute provided the following conditions are met:
 - (i) all the present NC members entitled to receive notice of the NC meeting shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of information technology (or in such other manner) as may be permitted by the Constitution of the Company, and
 - (ii) a NC member may not leave a virtual meeting by disconnecting from the technology used unless he/she has previously notified the Chairman of the meeting of his/her intention to leave the meeting and a NC member shall be conclusively presumed to have been present and to have formed part of the quorum at all times during such a meeting until such notified time of his/her leaving the meeting.
- (d) The main venue of the meeting shall be the place where the Chairman is.

3.3 Notice

- (a) The Secretary, with the concurrence of the Chairman, shall be responsible for drawing up and circulating the agenda and the notice of NC meetings.
- (b) The notice of the NC meetings and meeting materials shall be circulated at least five (5) business days before each meeting, or shorter notice where it is unavoidable, prior to each meeting to members of the NC.
- (c) Notice of meetings shall be given in writing and served to the NC member either personally or by email, fax, post or by courier to his/her registered address as appearing in the Register of Directors or to the address provided by the NC member, as the case may be.

3.4 Quorum

The quorum shall consist of minimum two (2) members, one of whom must be an Independent Director. In the absence of the Chairman of the NC, or if he/she is not present at any NC meeting, the NC members present shall elect one (1) of their members of whom is an Independent Director to be the Chairman of the meeting.

3.5 Attendance

The NC may extend an invitation to other Board members and Management to attend meetings as it deems necessary.

3.6 Voting

- (a) Each member of the NC is entitled to one (1) vote in deciding the matters deliberated in the meeting.
- (b) Resolutions arising from questions at any meeting of the NC must be determined by a majority of votes of the members present, and in the case of an equality of votes, the Chairman has a second or casting vote.
- (c) A NC member shall abstain from discussion or deliberations during the meeting of any matter which gives rise to an actual or perceived conflict of interest situation for the NC member.

3.7 Keeping of Minutes

- (a) The Company shall cause minutes of all proceedings of the NC meeting to be entered in the books kept for that purpose.
- (b) Minutes of previous meeting signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting shall be evidence of the proceedings to which it relates. The minutes of all NC meetings shall be circulated to members of the Board.
- (c) Minutes shall be kept by the Company at the Registered Office and shall be open for inspection by any of the NC members or Board members.

4. Written Resolutions

- (a) The NC is also allowed to carry out their resolutions by way of a written resolution.
- (b) The record of decisions made by the NC is valid and effective as if it were a resolution duly passed at a physical meeting of the NC.
- (c) Any such resolution may consist of several documents in like form, each signed by one or more of the NC members, and shall be as valid and effectual as if it were a resolution duly passed at a meeting of the committee. Any such document may be accepted as sufficiently signed by a member of the NC if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the NC member.

5. Power and Authority

The NC is authorised by the Board to:-

- (a) have the resources which are required to perform its duties
- (b) have full and unrestricted access to relevant information and documents of the Company
- (c) seek external professional advice at the expense of the Company if the NC considers this necessary in the discharge of its responsibilities and invite persons with relevant expertise and knowledge to attend its meetings where deemed necessary
- (d) have access to advice and services of the Company Secretary

6. Secretary

The Company Secretary of the Company or such substitute as appointed by the Directors or the NC from time to time shall act as the Secretary of the NC.

7. Reporting and Operations of the NC

- (a) The Chairman shall report to the Board on its proceedings after each NC meeting and present the recommendations of the NC to the Board accordingly.
- (b) All assessments and evaluations carried out by the NC in the discharge of all its functions shall be properly documented.
- (c) The NC shall take into consideration any written policies on succession planning and diversity in the discharge of its duties and responsibilities.
- (d) The NC shall provide the relevant information to assist the Board in making the required disclosures in the Annual Report (including a statement about the activities of the NC in the discharge of its duties for the financial year) and Corporate Governance Report.
- (e) The Terms of Reference of NC shall be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's duties and responsibilities.

The Terms of Reference shall be made available on the Company's website at www.picorp.com.my.

Adopted : 26 February 2013
Amended : 20 November 2017
1 December 2021