

## **TERMS OF REFERENCE FOR NOMINATION COMMITTEE**

### **1 Objectives**

The Nominating Committee (the “Committee”) of Pecca Group Berhad (the “Company”) was formed by the Board of Directors of the Company. Its primary function, in line with the Malaysian Code on Corporate Governance 2012, is to assist the Board in the following areas:

- Proposing new nominees for the Board of the Company and/or its subsidiaries (the “Group”) - the actual decision as to who shall be nominated shall be the responsibility of the full Board after considering the recommendations of the Committee;
- Appraise each individual Director, including Independent Non-Executive Directors as well as the Group Managing Director (“Group MD”) in terms of their individual experience, knowledge, credibility and credentials, and assess their effectiveness and contribution in carrying out their obligations and duties as a Board member of the Company;
- Examine the ability of each Director, including the Group Managing Director, to contribute to the effective decision making process of the Board and ensure that the Board of our Company is functioning actively, efficiently and effectively in all its decision making; and
- Assess the effectiveness, size and composition of the Board of Directors as a whole and the committees of the Board.

### **2 Composition**

- 2.1 The membership of the Committee shall comprise exclusively Non-Executive Directors, a majority of whom are independent and number at least three (3) in total.
- 2.2 The quorum of the Committee shall be at least two (2) members.
- 2.3 The members will be appointed by the Board and will remain members until there is a change.

### **3 Quorum and Meeting Procedures**

The Committee shall meet at least once (1) a year. More meetings may be conducted if the need arises. The quorum for a meeting of the Committee shall be two (2) members, present in person. A resolution in writing, signed by all the members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.

### **4 Secretary**

The Secretary of the Company shall be secretary (the “Secretary”) of the Committee.

### **5 Advisers**

The Committee is authorised by the Board to seek appropriate professional advice inside and outside the Group as and when it considers this necessary at the expense of the Company.

### **6 Responsibilities and Duties**

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

6.1 having evaluated the balance of skills, knowledge and experience on the Board, and hence defined the role and capabilities required for a particular appointment, be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.

6.1.1 In making the recommendations, the Committee will also consider candidates proposed by the Group MD, and within the bounds of practicability, by any other senior executive, Director or shareholder. In making its recommendations, the Committee shall assess and consider the following attributes or factors:-

- a) skills, knowledge, expertise and experience;
- b) professionalism;
- c) commitment (including time commitment) to effectively discharge his/her role as a Director;
- d) contribution and performance;
- e) background, character, integrity, and competence;

- f) in the case of candidates for the position of Independent Non-Executive Directors, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-executive Directors; and
  - g) Boardroom diversity including gender diversity.
- 6.2 make recommendations to the Board for the appointment of the Chairman, Group MD and Senior Independent Director, including an assessment of the time commitment expected and recognising the need for availability in the event of crises;
  - 6.3 review and define orientation and induction plans for new directors;
  - 6.4 develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors. The nomination and the election process should be disclosed in the Annual Report;
  - 6.5 recommend to the Board, Directors to fill the seats on Board Committees;
  - 6.6 assess the training needs of each Director, review the fulfilment of such training, and disclose details in the Annual Report as appropriate;
  - 6.7 review the Board's succession plans;
  - 6.8 review and make recommendations to the Board on Succession Planning Policy for management;
  - 6.9 review annually the required mix of skills, experience and other qualities of the Board, including core competencies which Non-Executive Directors should bring to the Board. This activity shall be disclosed in the Annual Report of the Company;
  - 6.10 assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director including his time commitment, character, experience and integrity. All assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented;
  - 6.11 assess annually the effectiveness and performance of the Group MD, Chief Financial Officer and Executive Directors;
  - 6.12 assess annually the independence of its independent directors.
  - 6.13 consider the size and balance of the Board with a view to determine the impact of the number upon the Board's effectiveness and recommend it to the Board;
  - 6.14 recommend to Board the Company's gender composition of the Board;
  - 6.15 recommend to Board protocol for accepting new directorships; and

- 6.16 review, at least once a year, its own performance, constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **7. Procedures**

The Board follows formal and transparent procedures when appointing directors as follows:-

- 7.1 The Committee shall prepare descriptions of the director characteristics the Board is looking for in a new appointment.
- 7.2 The Committee will seek professional advice as and when it considers necessary to identify a short-list of suitable candidates and a list of nominations for candidates proposed by the Group MD, and within the bounds of practicability, by any other senior executive, director or shareholder for considerations.
- 7.3 All the candidates are interviewed by at least two members of the Committee whose evaluations will be circulated to all the members of Nomination Committee. A target appointment date is then fixed.
- 7.4 The Committee will then have to make a majority decision in recommending the appointment to the Board.
- 7.5 The Board will then decide on the best candidate by ballot or majority decision and a Board resolution will be passed to appoint the candidate.
- 7.6 The written consent of the nominees to act if elected shall be secured.

The Committee shall regulate its own procedure to be followed in the discharge of its duties and responsibilities set out in section 7 above. The regulation and implementation of such procedure shall, as far as circumstances permit be in keeping with the principles and requirements of the Malaysian Code on Corporate Governance.

## **8. Minutes**

The Secretary shall keep all the minutes of meetings of the Committee and copies thereof shall be circulated to all members of the Board.

## **9. Succession Planning for Board**

The Committee shall:

- 9.1 keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- 9.2 give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in future;
- 9.3 make recommendations to the Board concerning the succession plans for Executive Directors and in particular for the Group MD;
- 9.4 make recommendations to the Board concerning the re-appointment of any non-executive director at the conclusion of his or her specified term of office, re-election of any director under the retirement by rotation provisions in the Company's Articles of Association, continuation (or not) in service of any director who has reached the age 70, if any;
- 9.5 make any necessary recommendations to the Board concerning the continuation in office, suspension or termination of service of any director (subject, in the case of Company employees to the provisions of their service contracts, if any); and
- 9.6 make recommendations to the Board concerning the continuation (or not) in service of any Independent Director who has served consecutively or cumulatively more than 9 years.