

TERMS OF REFERENCE FOR NOMINATION COMMITTEE

1. Introduction

- (a) The Nomination Committee (“**the Committee**”) of NationGate Holdings Bhd is formed and approved by the Board of Directors of the Company.
- (b) Unless otherwise stated, the following shall apply:
- (i) “Board” means the Board of Directors of the Company;
 - (ii) “Bursa Securities” means Bursa Malaysia Securities Berhad;
 - (iii) “Chairman” means the chairman of the Committee and is used in a gender-neutral sense;
 - (iv) “Company Secretary” means the Board secretary(ies) or the person(s) normally exercising the functions of a Board secretary;
 - (v) “Directors” means members of our Board;
 - (vi) “Independent Director” is defined in accordance with Paragraph 1.01 of the Listing Requirements;
 - (vii) “Listing Requirements” means Main Market Listing Requirements of Bursa Securities;
 - (viii) “Management” means the executive Directors and key management personnel of the Company;
 - (ix) “Shareholders” means the shareholders of the Company;
 - (x) “the Company” or “NationGate” means NationGate Holdings Bhd; and
 - (xi) “the Group” means NationGate Holdings Bhd and its subsidiaries.
- (c) The primary function of the Committee, in line with the following statutory provisions and documents namely:
- (i) Company’s Constitution;
 - (ii) Listing Requirements;
 - (iii) Malaysian Code on Corporate Governance 2021 (“**the Code**”);
 - (iv) Corporate Governance Guide – 4th Edition (“**the Guide**”) issued by Bursa Securities in 2021;
 - (v) Capital Markets and Services Act 2007; and
 - (vi) Companies Act 2016 (“**CA 2016**”)

is to assist the Board in their responsibilities in nominating new nominees to the Board. The Committee shall also assess the performance of the Board and the respective Directors on an on-going basis.

2. Composition

- (a) The Committee shall be appointed by the Board and shall comprise at least three (3) members, exclusively of non-executive Directors, a majority of whom must be independent which are free from any business or other relationship that would materially interfere with their judgment as members of the Committee.
- (b) No alternate director shall be appointed as a member of the Committee;
- (c) The Chairman shall be an Independent non-executive Director or a Senior Independent Non-Executive Director appointed by the Board.
- (d) Members of the Committee may resign from the Committee with prior written notice of at least two (2) months to the Board and may continue to serve as a Director.
- (e) The appointment of a member of the Board to the Committee shall terminate immediately upon the member ceasing to be a Director.
- (f) In the event of any vacancy resulting in non-compliance of the Listing Requirements of minimum of three (3) members, the Board shall appoint such number of directors to fill up such vacancy within three (3) months of the event.
- (g) All members of the Committee, including the Chairman, will hold office only so long as they serve as Directors. The Board must review the term of office and performance of the Committee and each of its members annually to determine or as and when required by the Board whether the Committee and its members have carried out their duties in accordance with its Terms of Reference.

3. Frequency of Meetings

- (a) The Committee shall meet at least once a year. Additional meetings shall be scheduled as considered necessary by the Committee or Chairman.
- (b) The Group MD or senior Management may be invited to attend such meetings.
- (c) Even though the Group MD or senior Management may be invited to attend the Committee meetings, participation may not be required for the full duration of the meeting.
- (d) The Chairman may request for those in attendance to leave if matters discussed are confidential or may be impaired due to the presence of the individuals concerned.

4. Quorum and Proceedings of Meeting

- (a) No business shall be transacted at any meeting of the Committee unless a quorum of two (2) members is present. In the absence of the Chairman, the remaining members of the Committee present at a meeting shall elect one

- (1) of their members who must be an Independent non-executive Director to chair the meeting.
- (b) The Chairman or secretary of the Committee (“**the Secretary**”) on the requisition of the members, shall at any time summon a meeting of the Committee by giving three (3) days advance notice or if the consent of all the members are obtained, by shorter notice.
 - (c) Attendance at a meeting may be in person or by way of participation via video conference or teleconference or such other means of audio or audio – visual communications as may be agreed by the members.
 - (d) Minutes of the meeting shall be signed by the Chairman and distributed to each member of the Committee and the Board. The minutes shall be kept at the registered office of the Company under the custody of the Company Secretary.
 - (e) A resolution in writing signed or approved by letter or other written electronic communications by the majority of the members in lieu of convening a formal meeting shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
 - (f) All such resolutions shall be described as “Nomination Committee Members’ Circular Resolutions” and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by the Secretary. Any such resolution may consist of several documents in like form, each signed by one or more members.

5. Secretaries of the Committee

- (a) The Company Secretary shall be the Secretary. In the absence of the Secretary, the chairman of the meeting may appoint another person or the representative of the Secretary to act on behalf of the Secretary for the purpose of the meeting.
- (b) The Secretary shall have the following responsibilities:
 - (i) ensuring the Committee meetings are arranged and held accordingly;
 - (ii) assisting the Chairman in planning the Committee’s activities for the financial year;
 - (iii) drawing up meeting agenda in consultation with the Chairman and circulating the agenda, together with the relevant papers, at least seven (7) days prior to each of the Committee meeting unless a meeting of the Committee is summoned earlier than seven (7) days;
 - (iv) ensuring proper notice is issued for the Committee’s meeting;
 - (v) ensuring structured communication between the Board and the Committee;

- (vi) ensuring proceedings of meetings are minute and endorsed by the Chairman before disseminating them to all the Directors; and
- (vii) ensuring the Committee's recommendations presented to the Board are supported by explanatory papers, including report of the Committee or minutes that explains the rationale of the Committee's recommendations.

6. Duties and Responsibilities

The duties of the Committee shall be:

- (a) in making the recommendations, the Committee will consider executive and non-executive Directors proposed by the Group MD and any other senior management, Director or Shareholder. In determining the process for the identification of suitable candidates, the Committee shall assess and consider the following attributes or factors:
 - (i) skills, knowledge, expertise and experience;
 - (ii) professionalism;
 - (iii) commitment (including time commitment) to effectively discharge his/her role as a Director:
 - (aa) contribution and performance;
 - (bb) background, character, integrity, and competence;
 - (cc) 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
 - (dd) boardroom diversity including gender diversity.
- (b) recommend to the Board, Directors to fill the seats on Board committees and recommend to the Board in respect of Directors' independence and conflicts of interests, if any, the steps to be taken to manage potential conflicts of interest;
- (c) develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors. There should be a formal, rigorous and transparent process for the appointment of directors (including reappointments) and senior management The nomination and the election process should be disclosed in the annual report;
- (d) review and define orientation and induction plans for new Directors;
- (e) facilitate training program for the Board to ensure adequate internal and external training for each member of the Board and facilitate Board induction program for newly appointed Directors;
- (f) assess the training needs of each Director, review the fulfilment of such training, and disclose details in the annual report as appropriate;
- (g) The Chairman shall lead the succession planning, appointment of directors, oversee the development of a diverse pipeline for board and management succession and lead the annual review of board effectiveness and taking into consideration the present size, structure and composition of the Board and Board committees as well as the required mix skills, experience and competency required and make recommendations to the Board with regard to any adjustments that are deemed necessary;

- (h) 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;
- (i) assess annually the independence of its Independent Directors. This activity shall be disclosed in the annual report of the Company and in any notice of a general meeting for the appointment and re-appointment of Independent Directors. A Director would not be an “Independent Director” if:
 - (i) the Director has been an employee of the Company or any related corporation within the preceding one year;
 - (ii) the Director has had a material business relationship with the Company either personally or with other person or through a firm or company of which he is a partner, director or major Shareholder, as the case may be, within the last three (3) calendar years (“**material business relationship**” means the director has a beneficial ownership interest of 2% or more or remuneration exceeding RM250,000 in any calendar year)
 - (iii) the Director has not complied with the definition of “Independent Director” in the Listing Requirements.
- (j) 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;
- (k) recommend to Board the Company’s gender diversity policies, targets and discuss measures to be taken to meet those targets;
- (l) recommend to Board protocol for accepting new directorships;
- (m) 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;
- (n) review and recommend to the Board corporate governance principles to be implemented for the Group;
- (o) review and recommend the extension of contracts of the Group MD, the executive Directors, senior Management and any other person the Board so determines;
- (p) ensure that all non-executive Directors receive a formal letter of appointment setting out clearly the roles and responsibilities as well as time commitment expected; and
- (q) conduct an annual review the term of office and performance of the audit committee and each of its members to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.
- (r) Ensure that the composition of the board is refreshed periodically, review the tenure of each director and ensuring that annual re-election of a director should be contingent on satisfactory evaluation of the director’s performance and contribution to the board
- (s) Ensure the tenure of an independent director does not exceed a term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

7. Procedures

The Board follows formal and transparent procedures when appointing Directors as follows:

- (a) based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender

- (b) The Committee having evaluated the balance of skills, knowledge and experience on the Board, and hence defined the role and capabilities required for a particular appointment, is responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies or newly created positions on the Board and the committees of the Board. The Committee shall recommend to the Board the persons it should nominate for election or re-election as Directors at the annual general meeting of the Company.
- (c) The Committee shall 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 recognizing the need for availability in the event of crises.
- (d) The Committee shall ensure that the Secretary, on behalf of the Board, writes to any appointee, detailing what is expected in terms of time commitment, committee service and involvement outside board meetings and proposing an induction plan approved by the Chairman.
- (e) The Committee shall prepare descriptions of the Director characteristics the Board is looking for in a new appointment.
- (f) The Committee utilize independent sources to identify suitably qualified candidates and does not solely rely on recommendations from existing directors, management or major shareholders to identify a short-list of suitable candidates for consideration.
- (g) The Chairman will send the list of nominees to the other committee members and assign to them responsibilities to prepare a list of suitable candidates for interview.
- (h) All the candidates are interviewed by at least two (2) members of the Committee whose evaluations will be circulated to all the members of Committee. A target appointment date is then fixed.
- (i) The Committee will then have to make a unanimous decision in recommending the appointment to the Board.
- (j) The Board will then decide on the best candidate by ballot or unanimous decision and a Board resolution will be passed to appoint the candidate.
- (k) 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 discharged of its duties and responsibilities. The regulation and implementation of such procedure shall, as far as circumstances permit be in keeping with the principles and requirement of the Code.

8. Succession Planning for Board

The Committee shall:

- (a) keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the organization to compete effectively in the marketplace;
- (b) review and make recommendations to the Board on succession planning policy for management and oversee the development of a succession planning framework for the Board members (including positions in committees of the Board), the Group MD and senior Management;
- (c) 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;
- (d) make recommendations to the Board concerning the succession plans for executive Directors and in particular for the Group MD;

- (e) 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 Constitution, if any;
- (f) 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
- (g) make recommendations to the Board concerning the continuation (or not) in service of any Independent Director who has served consecutively or cumulatively more than nine (9) years.

9. Minutes

- (a) Minutes shall be entered into the minutes book for the Committee kept by the Company Secretary together with the attendance sheet.
- (b) Keeping of the minutes must comply with the requirements of relevant law and regulations such as the CA 2016 and Income Tax Act 1967.

10. Committee's Performance

The Board shall evaluate the Committee's performance annually and the extent to which the Committee has met requirement of the terms of reference. Performance assessment may constitute a part of the annual board effectiveness assessment, pertaining to the assessment of the Committee.

11. Review and Revisions on the Terms of Reference

- (a) Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third party who is not a member of the Committee, shall first be presented to the Board for its approval.
- (b) Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.
- (c) Any updates to the principles and practices set out in this Terms of Reference shall be made available on the corporate website.