

PUNCAK NIAGA HOLDINGS BERHAD

[199701000591 (416087-U)]

NOMINATION COMMITTEE

TERMS OF REFERENCE

1. COMPOSITION

The Board shall elect a Nomination Committee from amongst themselves (pursuant to a resolution of the Board of Directors), comprising at least three (3) Directors, all of whom shall be Independent Non-Executive Directors of the Company.

The members of the Nomination Committee shall elect a Chairman from amongst themselves. It would be advantageous if the Chairman possesses sufficient calibre, a strong personality and good leadership skills.

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

If the members of the Nomination Committee for any reason be reduced to below three (3), the Board of Directors shall within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

The Secretary(s) to the Nomination Committee shall be the Company Secretary(s).

The membership of the Nomination Committee together with the responsibilities and matters discussed at the meetings of the Nomination Committee shall be disclosed in the Company's Annual Report.

2. OBJECTIVES

The primary objectives of the Nomination Committee are:-

- (i) To annually review the overall composition of the Board in terms of required mix of the expertise, skills, knowledge and experience and other qualities, including core competencies and adequacy of balance between Executive Directors and Independent Non-Executive Directors.
- (ii) To annually review the overall composition of the Board to achieve the best composition for diversity in terms of skills, experience, gender, age, professional background and cultural background to meet the needs of the Company. In this regards, the Nomination Committee is to assist the Board in establishing a policy on Boardroom diversity.
- (iii) To assess and recommend to the Board, candidates for all directorships to be filled and to annually evaluate and appraise the Board taking into consideration the time required of the directors to fulfill their duties. Any appointment that may cast doubt on the integrity and governance of the Company should be avoided.

In identifying Board candidates, the Nomination Committee may rely on recommendation from the existing Board members, the Management or major shareholders. The Nomination Committee may also consider to utilise independent sources to identify suitably qualified candidates, as appropriate.

If the selection of Board candidates was based on the recommendation of the existing Directors, Management or major shareholders of the Company, the Nomination Committee should explain why these source(s) suffice and other sources were not used.

- (iv) To assess and recommend to the Board, candidates for the re-election of directors under the annual re-election provisions or retirement, as the case may be and to provide a statement to the Board to support the appointment or re-election of the candidate(s).
- (v) To assess and recommend to the Board, Directors to fill the seats on Board Committees, in consultation with the Chairman of those committees or with the Board, in the case of the Chairman's position.

- (vi) To annually assess the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual Director and in respect of the Independent Non-Executive Directors of the Company, their capacity to bring an independent judgement on issues before the Board and that each Director in their individual capacity and as a collective Board are able to act in the best interests of the Company as a whole.
- (vii) To examine the size of the Board with a view to determining the impact of the number upon its effectiveness and to ensure that at least half of the Board comprises the Independent Non-Executive Directors of the Company.
- (viii) In the case of persons for the position of Independent Non-Executive Director, to evaluate the persons' ability to spend sufficient time to fulfill their duties to discharge such responsibilities/functions as expected from Independent Non-Executive Directors, in particular, for those who have served on the Board beyond nine years, to assess and evaluate whether the Independent Non-Executive Director should remain independent or be re-designated or be replaced.
- (ix) To determine annually whether a Director is independent as defined in the Bursa Malaysia Securities Berhad's Main Market Listing Requirements and to recommend a suitable Independent Non-Executive Director for the role of Senior Independent Non-Executive Director of the Company.
- (x) To review matters relating to the continuation in office of any Director at any time.
- (xi) To ensure that all Directors receive appropriate induction and continuous training programmes in order to broaden their perspectives and to keep abreast with developments in the market place and changes in new statutory requirements including training, upskilling or development needs and continuous professional development programmes to keep abreast with corporate governance developments, enhancing financial literacy on financial statements and financial reporting standards and professional development on sustainability in order to drive the Company's future strategies and strengthen the Board's leadership and oversight on the Company's and PNHB Group's sustainability issues.

- (xii) To periodically assess and recommend to the Board on succession planning for the Board, Executive Chairman, Directors and Key Management personnel.
- (xiii) To recommend to the Board the removal of a Director if he is ineffective, errant or negligent in discharging his responsibilities.
- (xiv) To review and recommend to the Board, corporate governance principles and best practices to be implemented for PNHB Group, in compliance with the Malaysian Code of Corporate Governance.
- (xv) To assess and recommend to the Board, the terms of reference of Board Committees and to review the adequacy of the structure of Board Committees.

3. ACCESS TO RECORDS

In carrying out their duties and responsibilities, the Nomination Committee shall in principle have:-

- (i) full, free and unrestricted access to all Company records, property and personnel; and
- (ii) access to independent professional advice and expert advice, if necessary, for the performance of its duties at the expense of the Company.

4. MEETINGS AND MINUTES

The Nomination Committee shall hold a minimum of one (1) meeting a year, although additional meetings may be called at any time at the Chairman's discretion. The Notice of Meeting shall, unless waived by the members, be sent at least seven (7) days before the time set for the meeting together with an agenda to all members of the Committee and any person that may be required to attend. The quorum for each meeting shall be three (3) members and the decision of the Nomination Committee shall be unanimous.

Minutes of each meeting shall be kept and distributed to each member of the Committee and also to the members of the Board. The Committee Chairman shall report on each meeting to the Board.

A circular resolution in writing signed by all members of the Nomination Committee shall be valid and effective as if the same has been passed at a meeting of the Nomination Committee duly convened.

The Committee Chairman shall answer the shareholders' queries, if any, on matters related to the Nomination Committee at the Company's Annual General Meetings.