

# **ADVANCECON HOLDINGS BERHAD**

**[Registration No. 199701011469 (426965-M)]  
(Incorporated In Malaysia)**

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

### **1. OBJECTIVE**

The primary objective of the Nomination Committee ("Committee") is to establish a documented, formal and transparent procedure to support and advise the Board of Directors ("Board") in fulfilling their responsibilities to shareholders in ensuring the Board is comprised of individuals with an optimal mix of qualifications, skills and experience.

### **2. COMPOSITION**

The members of the Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise of at least three (3) members, all of whom must be Non-Executive Directors, with a majority of them being independent.

The Committee shall elect a Chairman from among its members and the elected Chairman shall be an Independent Director or the Senior Independent Director.

No alternate Director shall be appointed as a member of the Committee. The term of office and performance of the Committee and each of its members shall be reviewed by the Board annually to determine whether the members have carried out their duties in accordance with their terms of reference.

If a member of the Committee resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months from the date of that event, appoint such number of new member(s) as may be required to make up the minimum number of three (3) members.

All members of the Committee shall hold office only for so long as they serve as Directors of the Company.

The term of appointment of the members of Committee shall be determined by the Board.

### **3. CHAIRMANSHIP**

The Chairman of Committee, who shall be elected by members of the Committee, shall be the Senior Independent Director or Independent Director.

The Chairman shall:

- i) Lead the succession planning and appointment of Board Members, including the future Chairman and Chief Executive Officer; and
- ii) Lead the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed.

#### **4. AUTHORITY**

- i) The Committee is authorised to seek any information it requires from management of the Company in order to perform its duties;
- ii) The Committee is authorised to call for any appropriate person or persons to be in attendance to make presentations or furnish or provide independent advice on any matters within the scope of responsibilities;
- iii) The Committee is authorised by the Board to obtain, at the Company's expense, external legal or other professional advice on any matters within its Terms of Reference; and
- iv) The Committee shall not have delegated powers from the Board to implement its recommendations but should be obliged to report its recommendations back to the Board for approval.

#### **5. DUTIES AND RESPONSIBILITIES**

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

- i) The Committee shall undertake an annual review of the Board's succession plans, taking into consideration, the present size, structure and composition of the Board and Board Committees as well as the required mix of skills, independence, experience and competency required and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- ii) To assist our Board in the effective discharge of its responsibility to ensure that our Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- iii) To review and evaluate the effectiveness of our Board and the relevant Board Committees;
- iv) To facilitate and plan for an appropriate framework and succession planning for our Board, including our Chief Operating Officer, Chief Financial Officer or any "C Suite" officer of the Company;
- v) To ensure appropriate selection criteria and processes and to identify and recommend to our Board, candidates for directorship of our Company and members of the relevant Board Committees;
- vi) The Committee shall facilitate the orientation and education programmes provided for new members of the Board;
- vii) The Committee shall recommend to the Board concerning the re-election/re-appointment of any Director to the Board pursuant to the provisions in the Company's Constitution and the Companies Act 2016;
- viii) To consider the representation of interest groups as part of boardroom diversity in skills, experience, age, cultural, background and gender;

- ix) In determining the process for the identification of suitable candidates, the Committee will ensure that an appropriate review is undertaken to ensure the requirements and qualifications of the candidate nominated based on a prescribed set of criteria comprising but not limited to the following:
- a) Skills, knowledge, expertise and experience;
  - b) Professionalism;
  - c) Integrity;
  - d) Existing number of directorships held in public listed companies so as to ensure sufficient time commitment to the Company's affairs;
  - e) Confirmation of not being an undischarged bankrupt or involved in any court proceedings in connection with the promotion, formation or management of a corporation or involving fraud or dishonesty punishable on conviction with imprisonment or subject to any investigation by any regulatory authority under any legislation; and
  - f) In the case of candidates being considered for the position of Independent Director, such potential candidates should have the ability to discharge such responsibilities/functions as expected from Independent Non-executive Directors. Amongst others, the potential candidates must fulfil the criteria stipulated in the definition of "independent directors" prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("LR") and being able to bring independent and objective judgement to the Board.

Where required, the members of the Committee would meet up with potential candidates for the position of Director to conduct an assessment of their suitability.

*(Note: The Company and its subsidiaries ("the Group") practices non-discrimination in any form whether based on age, gender, ethnicity or religion throughout the organisation and this includes the selection of Directors).*

- x) The Committee shall undertake an annual review of the training programs attended by the Directors for each financial year as well as the training programs required to aid the Directors in the discharge of their duties as Directors and to keep abreast with industry developments and trends;
- xi) The Committee shall provide a report summarising its activities for the year in compliance with the Malaysian Code on Corporate Governance 2021, LR and any other relevant regulations. The report can be incorporated into the Corporate Governance Statement in the Annual Report or included as a separate report; and
- xii) The Committee shall review the performance of the Company Secretary as and when required.

## **6. MEETINGS**

### **6.1 Frequency of Meetings**

The Committee shall meet at least once a year during a financial year and as frequently as may be required.

Committee shall conduct face to face meetings, however, subject to the notice and quorum requirements as provided in the Terms of Reference, meetings of the Committee may be held and conducted through telephone conferencing or any communication equipment which allows all persons participating in the meeting to hear each other.

In addition, the Committee may take action by unanimous written consent of its members, including dealing with matters by way of circular resolutions in lieu of convening a formal meeting.

### **6.2 Quorum**

The quorum for a meeting of the Committee shall consist of not less than two (2) members, majority of members present must be Independent Non-Executive Directors. In the absence of a quorum, the meeting shall be adjourned to such other date and at such other time and venue as the Committee may determine.

In the event the elected Chairman is not able to attend a meeting, a member of the Committee shall be nominated as Chairman for the meeting. The nominated Chairman shall be an Independent Non-Executive Director.

### **6.3 Notice of Meeting and Supporting Papers**

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other Non-Executive Directors, at least seven (7) days before the date of the meeting. Supporting Papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

### **6.4 Voting**

All resolutions of the Committee shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman of the Committee shall have a second or casting vote.

### **6.5 Secretary and Minutes of Meetings**

The Company Secretary or his nominee or such other persons authorised by the Board shall act as the Secretary of the Committee. The Company Secretary shall record, prepare and circulate the minutes of the meetings of the Committee and ensure that the minutes are properly kept and produced for inspection if required.

The Company Secretary shall distribute copies of the minutes of Committee meetings to all its members at next meeting.

The minutes of meetings must be reviewed by the Chairman of Committee before circulation to the members of Committee.

Minutes of meetings shall be tabled to the Board of the Company for information.

The minutes of meetings and conclusions of the meetings should be entered into the Minutes Book kept by the Company Secretary of the Company. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.

#### **6.6 Circular Resolution**

A resolution in writing, signed by a majority of the Committee members present in Malaysia for the time being entitled to receive notice of a meeting of the Committee, shall be as valid and effectual as if it had 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 of the members of the Committee. The expressions "in writing" and "signed" include approval by telefax, telex, cable or telegram and text messages by any such member of the Committee.

#### **7. PARTICIPATION IN MEETING BY TELE-CONFERENCING**

A Director may participate in a Committee meeting by means of a conference telephone or any communication equipment which allows all persons participating at the meeting to hear and speak with each other and shall be deemed as present at such meeting.

#### **8. ANNUAL GENERAL MEETING**

A member of the Committee shall attend the Annual General Meeting (including Extraordinary General Meeting) to answer any shareholder's questions on Committee's activities.

#### **9. REVISION AND UPDATES**

This Terms of Reference will be reviewed and updated at least once a financial year by the Committee for the Board's approval to ensure it remains consistent with the Committee's objectives and responsibilities.

END.