

TECHBOND GROUP BERHAD
201601019667 (1190604-M)

TERMS OF REFERENCE OF NOMINATION COMMITTEE

I. PURPOSE

The Board of Directors ("Board") of Techbond Group Berhad ("the Company") has established a Nomination Committee ("NC" or "Committee") to assist the Board in discharging the following duties and responsibilities as set out in its Terms of Reference:

- (a) Establishing policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the Company;
- (b) Undertaking Board nomination and election process of Directors and determining the criteria used in the selection process; and
- (c) Undertaking assessment in respect of the Board, Board Committees and individual Directors and determining the criteria used for the assessment.

II. COMPOSITION

- 1. The Committee shall consist of at least three (3) members all of whom shall be appointed by the Board amongst its Directors. The Committee shall comprise exclusively of Non-Executive Directors, a majority of whom must be independent.
- 2. The Chairman of the Committee shall be appointed by the Board amongst the Committee's members and shall be a Senior Independent Director or an Independent Director of the Company.
- 3. All members of the Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company. Should any member of the Committee cease to be a Director of the Company, his membership in the Committee will cease forthwith.
- 4. In the event the number of the Committee's members is reduced to below three (3) due to whatever reason, the Board must fill the vacancy within three (3) months from the date of occurrence of event.

III. MEETINGS

- 1. The NC shall meet at least once a year or as and when circumstances dictate.

2. Unless in the case of emergency, the notice of the NC meetings and meeting materials shall be circulated at least five (5) business days before each meeting to members of the NC. The notice of every meeting shall be given in writing and the notice of each meeting shall be served to the member either personally or by fax or e-mail or by post or by courier to his/her address as appearing in the Register of Directors or to the address provided by the NC member, as the case may be.
3. The NC meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables the Committee's members as a whole to participate for the entire duration of the meeting.
4. The Company Secretary or other persons appointed by the Board (if any) shall be the Secretary of the Committee.
5. The quorum for the meeting shall be two (2) members and the majority of members present must be Independent Directors.
6. The Chairman of the NC shall chair the Committee's meetings. If he is not present at any meeting within fifteen (15) minutes of the time appointed for holding the same, the members of the NC present shall choose one of their number to be the chairman of the meeting.
7. Other Directors and employees may attend any particular meetings upon the invitation of the NC.
8. Questions arising at any meeting of the NC shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the NC shall have a second or casting vote (except where two (2) members form the quorum).
9. Minutes of each meeting shall be kept at the registered office and distributed to each member of the NC and also to the other members of the Board on a set timeline to be agreed between the Chairman of the Committee and the Board.
10. The minutes of the NC meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.
11. A resolution in writing, signed by all 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.

12. Any such document may be accepted as sufficiently signed by a member of NC if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the said member.
13. The Committee, through its Chairman, shall report to the Board at the next Board of Directors' meeting on its proceedings on all matters within its duties and responsibilities after each Committee meeting. When presenting any recommendation to the Board, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.

IV. POWERS AND AUTHORITY

To facilitate the work of the NC, the NC shall, in accordance with a procedure to be determined by the Board and at the expense of the Company:

- (a) have full and unrestricted access to all information and documents which are required to be required to perform its duties.
- (b) be able to obtain independent professional advice or other advice from any person or firm who has the relevant experience and required expertise and to secure the attendance of those persons if it considers necessary.
- (c) implement other necessary duties as mutually agreed by the Committee and the Board or any other authorities which are empowered by law or regulated by any government authority.

V. SCOPE AND FUNCTIONS OF THE COMMITTEE

The Committee shall perform the following scope and functions that have been delegated by the Board and make recommendations to the Board for consideration, as and when necessary.

1. Board Composition

- (a) To develop the policy on Board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the Company.
- (b) To evaluate regularly the structure, size, balance and composition of the Board and Board Committees including the required mix of skills, knowledge and experience, the independence of the Non-Executive Directors and Board diversity in terms of gender and age to competently discharge their duties and recommend to the Board with regard to any change.

- (c) To establish and review the succession plans for the Board, Chairman and Managing Director (“MD”) to ensure there is an orderly succession of Board, MD and the Group’s key senior management with the appropriate calibre.
- (d) To ensure each of the Director and MD has the character, experience, integrity, competence and time to effectively discharge his role as Director and MD as required under Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”) before appointment and fulfils the requirements under Section 198 of Companies Act, 2016 and Paragraph 15.05 of the MMLR.

2. Selection

- (a) To develop a formal and transparent process to identify and nominate suitable candidates for appointment and election of members to the Board, as well as nomination of MD and the Group’s key senior management (“Senior Management”) together with criteria used for the selection.
- (b) To establish the criteria for Board membership required for a particular appointment including character, experience, diversity in skills, knowledge, expertise, professionalism, integrity, time commitment, gender and other factors having regard to the leadership and diversity needs of the Company.
- (c) To identify, consider and recommend suitable persons for appointment as Directors, MD and Senior Management based on a variety of sources from existing Board members, MD, management, major shareholders and/or independent sources.
- (d) To identify, consider and recommend the position of Independent Non-Executive Directors or Senior Independent Non-Executive Director, having regard to their ability to discharge responsibilities/functions as required under MMLR.
- (e) To conduct a fit and proper assessment for the appointment and re-election of Directors prior to make recommendation to the Board for approval.
- (f) To assess and recommend Directors to fill the seats on Board Committees.

3. Evaluation and assessment process

- (a) To establish and implement evaluation processes for assessing the effectiveness of the Board as a whole, the Committees of the Board and

the contribution of each Director annually, and ensure that all assessments and evaluations carried out by the NC are properly documented.

- (b) To assess annually the required mix of skills and experience and other qualities, including core competencies of the Board as a whole, the Board Committees and the contribution of each existing Director as well as the MD and thereafter, recommend its findings to the Board.
- (c) To evaluate and recommend to the Board for re-election or otherwise, Directors who are retiring pursuant to the Constitution of the Company having regard to their performance and contributions to the Board and Board Committees.
- (d) To evaluate the performance of MD, Executive Directors and the Senior Management, including approving the renewal of their service contracts.
- (e) To assess the independence of the Independent Non-Executive Directors annually to determine whether they continue to be independent in character and judgement and act in the best interests of the Company when discharging his/her duties.
- (f) To review annually the term of office, effectiveness and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.
- (g) In respect of the Independent Non-Executive Director who has served the Board beyond a cumulative term limit of nine (9) years ("Affected Director"), to annually review whether the Affected Director:
 - (i) can act independently of management;
 - (ii) would erode the Board's objectivity due to his/her long tenure and familiarity; and
 - (iii) may become a "dependent Director" due to prolonged insular recruitment processes and attractive remuneration packages and material benefits.

4. Others

- (a) To oversee the succession planning including the appointment of Board members, future Chairman and MD in order to maintain an appropriate balance of skills, knowledge and experience.

- (b) To ensure induction programme is in place for newly appointed Directors with respect to the business, structure and management of the Group as well as the expectations of the Board with regard to their contribution to the Board and Group.
- (c) To annually assess the training needs of each Director.
- (d) To consider other topics or undertake any other activities as defined by the Board from time to time.

VI. REVIEW OF COMMITTEE

1. The Board, based on the NC's recommendation, must review the term of office and performance of NC and each of its members at least once a year to determine whether NC and its members have carried out their duties in accordance with the Terms of Reference, and thereafter, make recommendations to the Board for consideration.
2. The NC shall review its Terms of Reference periodically and may recommend to the Board any changes it considers necessary.

The TOR of NC was revised and approved by the Board on 11 October 2022.