



TECHNA-X BERHAD

Registration No.: 200601012477 (732227-T)

(Incorporated in Malaysia)

TERMS OF REFERENCE OF NOMINATION COMMITTEE

(Revised and adopted on 8 April 2022)

1. Objectives

The principal objective of the Nomination Committee ("**NC**") is to assist the Board of Directors in their responsibilities in nominating new candidates to the Board of Directors and Board Committees. The NC shall also assess the effectiveness and contribution of the Board of Directors as a whole and each individual Director, the Board Committees, and Senior Management of the Company on an ongoing basis. In addition, the NC shall oversee the succession planning and talent management for the Board and Senior Management of the Group.

2. Composition of members

The Board of Directors shall elect the NC members from amongst themselves and shall comprise at least two (2) members, exclusively of Non-Executive Directors, and a majority of whom are independent.

No Alternate Director shall be appointed as a NC member.

Where the NC members for any reason are reduced to less than two (2), the Board of Directors shall, within three (3) months from the occurrence of the event, appoint such number of new member(s) as may be required to make up the minimum number of two (2) members.

3. Chairperson

The NC Chairperson shall be an Independent Non-Executive Director appointed by the Board of Directors from amongst the NC members. The NC Chairperson shall not be a Chairperson of the Board.

In the absence of the Chairperson during the meeting, the other NC members shall elect from amongst themselves who must be an Independent Director to chair the meeting

The NC Chairperson shall:-



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- (i) lead the succession planning and appointment of Directors, and oversee the development of a diverse pipeline for Board and management succession, including the future Chairperson, Executive Directors, and Chief Executive Officer/Managing Director; and
- (ii) lead the annual review of Board effectiveness, ensuring that the performance of each individual Director and Chairperson of the Board is independently assessed.

4. Secretary

The Secretary(ies) of the NC shall be the Company Secretary(ies).

5. Meetings

The NC shall meet as and when required at least once a year or more frequently as deemed necessary. The Chairperson may call for additional meetings at any time at the Chairperson's discretion.

The NC may meet together for the despatch of business, adjourn, and otherwise regulate their meetings as they think fit by means of any communication technology by which all persons participating in the meeting are able to hear and be heard by all other participants without the need for a member to be in the physical presence in the meeting. The member participating in any such meeting shall be counted in the quorum for such meeting. All resolutions agreed by the member in such meeting shall be deemed effective as a resolution passed at a meeting in person of the members duly convened and held.

Resolutions, proposals, and matters tabled for approvals at any NC meeting shall be decided by a simple majority of the members present. In the case of equality of votes, the NC Chairperson shall have a second or casting vote.

The Secretary(ies) shall, on the requisition of the NC members, summon a NC meeting, and reasonable notice of every NC meeting shall be given in writing, except in the case of an emergency, where the NC may waive such notice requirement.



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6. Minutes

Minutes of each meeting shall be kept at the registered office and distributed to each NC member and the other Board members.

The NC Chairperson shall report on the proceeding of each meeting to the Board of Directors.

The NC meeting's minutes shall be signed by the Chairperson of the meeting at which the proceedings were held or by the Chairperson of the next succeeding meeting.

7. Quorum

A quorum shall consist of two (2) members.

8. Circular Resolutions

A resolution in writing signed by a majority of the NC members for the time being, not being less than two (2) NC members, shall be as valid and effectual as if it had been passed at a NC meeting duly called and constituted.

Any such resolution may consist of several documents in like form, each signed by one (1) or more NC members. Any such document may be accepted as sufficiently signed by a NC member if transmitted to the Company by telex, telegram, cable, facsimile, or other electrical/electronic or digital written message purporting to include a signature of a NC member.

9. Authority

The NC shall, in accordance with a procedure or process to be determined by the Board of Directors and at the expense of the Company:-

- (a) annually review the required mix of skills and experience and other qualities, including core competencies that Non-Executive and Executive Directors should have.
- (b) assess on an annual basis the effectiveness of the Board as a whole, the Board Committees, and the contribution of each individual Director.



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- (c) conduct assessment on the independence of the Independent Directors.
- (d) assess on an annual basis, appointment, and re-appointment of Independent Director as provided in Bursa Malaysia Securities Berhad's Main Market Listing Requirements. The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. After a cumulative term of nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. However, if the Board of Directors intends to retain an Independent Director beyond nine (9) years and up to twelve (12) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.
- (e) be entitled to the services of the Company Secretary(ies), who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from Bursa Malaysia Securities Berhad's Listing Requirements or other regulatory requirements.
- (f) be able to obtain independent professional or other advice and invite outsiders with relevant experience and expertise to attend, if necessary.

Notwithstanding anything stated above, the NC does not have executive powers and shall report to the Board of Directors on matters considered and recommendations made regarding the Company and the Group.

10. Duties and Responsibilities

The duties and responsibilities of the NC are as follows:-

- To establish minimum requirements for the Board of Directors and the Chief Executive Director/Managing Director to perform their responsibilities effectively. It is also responsible for overseeing the overall composition and diversity of the Board in terms of the appropriate size and mix of skills, experience, background, gender, age, ethnicity, to name a few, and the balance between Executive, Non-Executive and Independent Directors, and other core competencies required, through annual reviews.
- To review and consider refreshing the Board composition periodically.



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- To recommend to the Board of Directors, candidates for all directorships to be approved by the shareholders or the Board of Directors. In making its recommendations, the NC should consider the following attributes of candidates:
 - (a) skills, knowledge, expertise, and experience;
 - (b) age;
 - (c) gender;
 - (d) professionalism;
 - (e) integrity;
 - (f) competencies, commitment, contribution, and performance; and
 - (g) in the case of candidates for the position of Independent Director, the NC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Directors.
- To conduct assessment on the independence of each of the Independent Directors to ensure he/she is continually fit and still can maintain independence in order to assume their role as Independent Directors of the Company.
- To consider identifying suitably qualified candidates, the NC must not solely rely on the recommendations from the existing Board members, Management, or major shareholders of the Company. The NC shall also utilise independent sources to identify suitably qualified candidates. If the selection of candidates was solely based on recommendations from the existing Board members, Management, or major shareholders of the Company, the NC should explain why these source(s) suffice and other sources were not used.
- To recommend to the Board of Directors the optimum size of the Board and formalise a transparent procedure for proposing new nominees to the Board and Board Committees.
- To recommend to the Board of Directors the nominees to fill the seats on Board Committees.
- To review each Director's tenure and recommend Directors who are retiring (by rotation) for re-election. The annual re-election of Director should be based on a satisfactory evaluation of the Director's performance and contribution to the Board.
- To assess the effectiveness of the Board of Directors and Board Committees as a whole and each individual Director, including Executive Directors (if any).



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All assessments and evaluations carried out by the NC to discharge all its functions should be properly documented.

- To review the term of office and performance of the Audit and Risk Management Committee and each of its members on an annual basis to determine whether the Audit and Risk Management Committee and its members have carried out their duties according to the Audit and Risk Management Committee's terms of reference.
- To develop, maintain and review the performance criteria to be used in the recruitment process and evaluate the performance of each member of the Board of Directors and Board Committees.
- To develop the criteria to assess independence and assess the independence of the Independent Non-Executive Directors on an annual basis and recommend the same to the Board of Directors.
- To establish time commitment expectations for the Board members.
- To establish a policy formalising its approach to boardroom diversity.
- To review training and continuous professional development programmes for the Board of Directors and facilitate board induction and training programmes.
- To act in line with the directions of the Board of Directors.
- To consider and examine such other matters as the NC considers appropriate.

** Note: These terms of reference may change from time to time to fulfill such other requirements as prescribed by Bursa Malaysia Securities Berhad.*
