

**POWER ROOT BERHAD** [Registration No.: 200601013517 (733268-U)]

**TERMS OF REFERENCE OF THE NOMINATING COMMITTEE**

i. **Composition**

The Nominating Committee shall be headed by an independent non-executive Chairman and its members shall comprise exclusively of non-executive directors, a majority of whom are independent.

ii. **Quorum of Meetings**

A minimum of two (2) Nominating Committee Members present in person shall constitute the quorum.

iii. **Majority Decision**

All decisions of the Nominating Committee shall be decided on the votes of the simple majority of those Members present.

Any decision or recommendation made at the Nominating Committee shall be subject to the review and ultimate approval of the Company's Board of Directors.

iv. **Casting Vote**

In the event there be an equality of votes, then the Chairman of the meeting shall have a casting vote.

v. **Frequency of Meetings**

The Committee shall meet at least annually or at such other frequency as the Chairman may determine.

vi. **Notice of Meetings**

Notice of Meetings shall be a minimum seven (7) days or such shorter notice as the Nominating Committee may deem fit depending on the nature and prevailing circumstances at hand.

vii. **Secretary**

The Company's Company Secretary(s) shall be the Secretary(s) for the Nominating Committee. In the event any of the Company Secretary(s) is unable to attend, an assistant or deputy Secretary(s) may be appointed for that specific meeting.

**TERMS OF REFERENCE OF THE NOMINATING COMMITTEE**

---

viii. **Minutes of Meeting**

The Secretary (which expression shall include the assistant or deputy Secretary appointed under item (vii)) shall table the minutes of each Nominating Committee Meeting and shall circulate the same for each Member's record. The Chairman's confirmation of the Minutes shall be taken as a correct proceeding thereat.

The Chairman shall report on each meeting to the Board.

ix. **Circular Resolutions**

A resolution in writing signed or approved by letter, electronic mail or facsimile by the majority of the members and constituting a quorum, shall be valid and effectual as if it had been passed at a meeting of the Nominating Committee. All such resolutions shall be forwarded or otherwise delivered to the Secretary and shall be recorded by the Secretary in the Company's minute book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

x. **Functions of the Nominating Committee**

Without prejudice to the generality of the foregoing, the Nominating Committee shall:-

- a. To review and assess the re-appointment or nomination of new candidates to the Board, to meet the criteria of the Company's Fit and Proper Policy;
- b. Determine the core competencies and skills required of board members to best serve the business and operations of the Group as a whole and the optimum size of the Board to reflect the desired skills and competencies;
- c. Review the size of Non-Executive participation, Board balance and determine if additional Board members are required and also to ensure that at least 1/3 of the Board is independent;
- d. Recommend to the Board on the appropriate number of Directors to compose the Board which should fairly reflect the investments of the minority shareholders in the Company, and whether the current Board representation satisfies this requirement;
- e. Recommend to the Board, candidates for directorships to be filled by the shareholders or the Board;
- f. Consider in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any Director or shareholder;
- g. Recommend to the Board, Directors to fill the seats on Board Committees;

**TERMS OF REFERENCE OF THE NOMINATING COMMITTEE**

---

x. **Functions of the Nominating Committee (cont'd)**

- h. Undertake an annual review of the required mix of skills and experience and other qualities of Directors, including core competencies which Non-Executive Directors should bring to the Board and to disclose this forthwith in every Annual Report;
- i. Assist the Board to introduce a criteria and to formulate and implement a procedure to be carried out by the Nominating Committee annually for assessing the effectiveness of the Board as a whole, the Board Committees and for assessing the contributions of each individual Director;
- j. Introduce any regulation which would enable the smooth administration and effective discharge of the Committee's duties and responsibilities;
- k. To furnish a report to the Board of any findings of the Committee;
- l. To recommend to the Board for continuation or discontinuation in service of directors as an Executive Director or Non-Executive Director;
- m. To recommend Directors who are retiring by rotation to be put forward for re-election;
- n. To recommend to the Board the employment of the services of such advisers as it deems necessary to fulfill the Board's responsibilities;
- o. To assess on an annual basis, the independence of the Independent Directors of the Board;
- p. To assess on an annual basis, the tenure of an independent director should not exceed a cumulative term of nine years. Upon completion of the nine years, an independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director. To retain as independent directors, the board should provide justification and seek shareholders' approval for a person who has served in that capacity for more than nine (9) years;
- q. To assess the training needs for all Directors and to facilitate the appropriate continuous training programmes in order to maintain an adequate level of competency to effectively discharge their duties as Directors;
- r. To review the terms of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and members have carried out their duties in accordance with their terms of reference
- s. Shall have the resources that it requires to perform its duties. The Committee can obtain, at the expense of the Company, outside legal or other independent professional advice it considers necessary; and

**TERMS OF REFERENCE OF THE NOMINATING COMMITTEE**

---

x. **Functions of the Nominating Committee (*cont'd*)**

- t. Generally, to decide and implement such other matters as may be delegated by the Company's Board of Directors from time to time.

xi. **Variation**

The above Terms and Reference may be determined and/or varied by the Company's Board of Directors from time to time. It shall be reviewed annually by the Committee.