

**POLICY AND PROCEDURES**

**ON**

**NOMINATION AND SELECTION OF DIRECTOR**  
(REVISION: MAY 2024)

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

Duly approved by the Board of Directors of Power Root Berhad via Board of  
Directors' Circular Resolution dated 8 May 2024

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## **1. INTRODUCTION**

The Board of Directors (“the Board”) of Power Root Berhad (“the Company”) believes that it is in the best interest of the Company and its stakeholders to appoint highly qualified candidates with sufficient and relevant knowledge, skills and competency and conform with the Company’s Fit & Proper Policy to serve as members of the Board to effectively discharge their responsibilities and duties and contribute in the governance of the Company and its subsidiaries (“the Group”).

The responsibility for the establishment of the policy and procedure on the nomination and selection of a director (subject to the approval of the Board) and the execution thereof is delegated to the Nominating Committee by the Board. The Nominating Committee is assisted by the Company Secretary of the Board to carry out its duties and responsibilities for the nomination and selection of a director.

## **2. OBJECTIVES**

This policy and procedure shall guide the Nominating Committee in seeking and recommending candidates, for the filling of a casual vacancy or as an additional director per the Constitution of the Company who possess the requisite qualifications, leadership, knowledge, skills, competency and integrity required to direct and oversee the Group in the best interests of its shareholders, customers, employees, communities it serves and other stakeholders.

In particular, individuals who are nominated and selected by the Board to be a director should:

- a. have demonstrated notable achievements in the fast moving consumer goods industry, commercial or business arena, professional practices, education or public service;
- b. should possess the requisite intelligence, education and experience to make a significant contribution to the Board and brings a range of knowledge, skills, diverse perspectives and backgrounds to its deliberations.
- c. should possess knowledge, skills and experience to complement and strengthen the knowledge, skills and experience possessed by existing members of the Board to discharge his/her duties and responsibilities effectively and efficiently; and
- d. should have the highest ethical standards, a strong sense of professionalism and dedication to serving the interests of the stakeholders.

### **3. CRITERIA FOR NOMINATION AND SELECTION**

#### **3.1 Leadership Experience**

Relevant experience should include, at a minimum of one of the followings:

- a. current senior executive within the Group with at least 10 years experiences in the fast moving consumer goods industry;
- b. a past or current senior executive in a public company or recognized/ reputable privately held entity;
- c. past or current partner/senior executive in a recognised professional accounting/ consulting/advisory/legal firm or entity;
- d. a past or current senior executive at a prominent educational institution or senior faculty position in an area of study that is important or relevant to the Company;
- e. a past elected or appointed member of parliament or senior government position; or
- f. any other criteria deemed fit by the Nominating Committee.

#### **3.2 Skilled and Diverse Background**

All candidates must possess:

- a) the aptitude or experience to understand fully the legal responsibilities and duties of a director of a public listed company and the governance processes of a public listed company;
- b) financially literate and have a sound understanding of business strategy, corporate governance and board operations; and
- c) personal qualities to be able to make a substantial active contribution to Board deliberations, including intelligence and wisdom, self-assuredness, interpersonal and communication skills, courage and inquisitiveness.

#### **3.3 Boardroom Diversity**

In order to ensure boardroom diversity, the Nominating Committee shall continually review the competency gap of the Board members in terms of the knowledge, skills and experience as well as gender diversity to effectively discharge its responsibilities and duties as the Board as a whole.

In particular, one of the members of the Board shall be:

- a) a member of the professional accounting body recognised by Malaysian Institute of Accountants (“MIA”); **or**

- b) a past or current partner/senior executive in a recognised professional legal firm who is well-versed with the relevant laws and regulations in relevant jurisdictions applicable to the Group in relation to the business environment in which the Group is operating in as well as the operational activities undertaken by the Group.

### **3.4 Integrity and Professionalism**

Each of the candidates shall possess the following characteristics:

- highest standards of moral and ethical character and personal integrity;
- independence and objectivity;
- a strong dedication to serve as a representative of the stakeholders;
- a personal commitment to the Company's principles and values;
- impeccable corporate governance credentials;
- shall not have any conflict of interest ("COI") situation(s) or having declared his/her COI situation(s), the Nominating and Audit Committee is satisfied that such COI does not impair his/her responsibility to carry out his/her fiduciary duty to the Company; and
- time commitment to fulfil his/ her responsibility as a Director and/ or member of the respective Board committees.

### **3.5 Independence of Independent Director**

In determining the independence of candidate for independent directorship, the Nominating Committee will consider all relevant information, facts and circumstances in respect of such candidate. When assessing independence, the Nominating Committee should focus beyond the candidate's background, economic and family relationships and consider whether such candidate can bring independent and objective judgment to board deliberations.

In assessing independence, the Nominating Committee will carry out an independence assessment of the candidate based on criteria and procedure established by it for such assessment under "**POLICY ON INDEPENDENCE ASSESSMENT OF INDEPENDENT DIRECTORS**".

## **4. PROCEDURE FOR NOMINATION AND SELECTION**

### **4.1 Nomination Procedure**

- (I) For filling of **Casual Vacancy**, it is the responsibility of the Nominating Committee to develop a pool of potential candidates for consideration for such vacancy. The potential candidate may be proposed by existing board members, management, major shareholder or independent sources.

- a. The recommendation for candidacy of filling any casual vacancy shall be guided by “Director Recommendation Form” (with his written expression of his interest to act) and if applicable, “Declaration of Conflict of Interest” form duly completed and endorsed.
  - b. Duly completed and endorsed “Director Recommendation Form” and if applicable, “Declaration of Conflict of Interest” form and relevant supporting documents for past work experiences, education background, etc of the recommended candidate shall be submitted to the Chairman of the Nominating Committee or deposited at the registered office of the Company.
  - c. For recommendation of independent director, a duly completed and endorsed “Declaration of Interest” Form and if applicable, “Declaration of Conflict of Interest” form by such candidate shall accompany the duly completed and endorsed “Director Recommendation Form”.
- (II) For the appointment of **additional director(s)** as deemed necessary by the Board for diversity or to handle additional duties and responsibilities expected of the Board or in compliance with applicable laws and regulations, it is the responsibility of the Nominating Committee to develop a pool of potential candidates for consideration.
- a. The recommendation for candidacy shall be guided by “Director Recommendation Form” (with his written expression of his interest to act) and if applicable, “Declaration of Conflict of Interest” form duly completed and endorsed by such director.
  - b. Duly completed and endorsed “Director Recommendation Form” and relevant supporting documents for experiences, education background, etc of such candidate and if applicable, “Declaration of Conflict of Interest” form shall be submitted to the Chairman of the Nominating Committee within twenty one (21) days from the date of notification by the Chairman of the Nominating Committee of the intention to appoint additional director.
  - c. For the recommendation of independent director(s), a duly completed and endorsed “Declaration of Interest” Form by such candidate shall accompany the duly completed and endorsed “Director Recommendation Form” and if applicable, Declaration of Conflict of Interest form.
- (III) For the appointment of **additional director(s)** requested by shareholder or shareholders collectively represents not less than 15% of the paid-up capital of the Company as at the date of the requisition for the sole purpose of Board representation for their interest in the voting shares in the Company, it is the responsibility of the Nominating Committee:
- a) to communicate with such shareholder or shareholders for the submission of duly completed and endorsed “Director Recommendation Form” (with his written

expression of his interest to act) and relevant supporting documents for experiences, education background, etc of such candidate and if applicable, "Declaration of Conflict of Interest" form within seven (7) days from the date of requisition by such shareholder or shareholders.

- b) In the event of non-submission of the duly completed and endorsed "Director Recommendation Form", to obtain information required per "Director Recommendation Form" not contained in the notice of requisition in writing from such shareholder or shareholders within seven (7) days from the date of requisition.
- c) In the event of non-submission of the duly completed and endorsed "Director Recommendation Form" or information required per part 3b) above from the shareholder or shareholders, the Nominating Committee shall collate information on such candidate from public domains.

**(IV)** For the appointment of **additional director(s)** requested by shareholder or shareholders pursuant Section 312 & 313 of the Companies Act 2016, it is the responsibility of the Nominating Committee:

- a) to communicate with such shareholder or shareholders for the submission of duly completed and endorsed "Director Recommendation Form" (with his written expression of his interest to act) and relevant supporting documents for experiences, education background, etc and if applicable, "Declaration of Conflict of Interest" form of such candidate within seven (7) days from the date of requisition by such shareholder or shareholders.
- b) In the event of non-submission of the duly completed and endorsed "Director Recommendation Form", to obtain information required per "Director Recommendation Form" not contained in the notice of requisition in writing from such shareholder or shareholders within seven (7) days from the date of requisition.
- c) In the event of non-submission of the duly completed and endorsed "Director Recommendation Form" or information required per part 4b) above from the shareholder or shareholders, the Nominating Committee shall collate information on such candidate from public domains.
- d) For recommendation of independent director, a duly completed and endorsed "Declaration of Interest" Form by such candidate shall accompany the submission or deposit of duly completed and endorsed "Director Recommendation Form".

## 4.2 Evaluation and Selection Procedure

**(I) For Nomination per Paragraph 4.1 (I) and (II)**

- a) A meeting, within seven (7) days from the last day of submission of relevant forms in accordance with the nomination process above, will be held by members of Nominating Committee in accordance with the terms of reference approved by the Board to evaluate and shortlist potential candidate(s) for recommendation to the Board for deliberation and approval.
- b) The Nominating Committee shall evaluate each candidacy in accordance knowledge, skill, experiences expected to be possessed for the casual vacancy or proposed additional directorship under consideration and the maintenance of boardroom diversity per “**Criteria for Nomination and Selection**” and Company’s “Fit and Proper Policy”.
- c) If more than three (3) candidacy are submitted, only a maximum of three (3) potential candidates will be shortlisted by the Nominating Committee for a formal interview and appropriate background check as well as recommendation to the Board for consideration.
- d) However, nothing in the section shall prohibit the Nominating Committee from recommending less than three (3) potential candidates or not recommending any candidate, should the Nominating Committee conclude that the candidates do not meet the required knowledge, skill, experiences expected for the proposed directorship and for boardroom diversity as well.
- e) The Nominating Committee shall conduct formal interview(s) with the shortlisted candidates for such proposed directorship and to perform, with the assistance of the third party consultant where necessary, appropriate background checks to obtain corroborative information for the determination of the suitability of the shortlisted candidates.
- f) Upon the completion of the interviews and appropriate background checks on the potential candidates, the Nominating Committee shall determine whether to make any recommendation of potential candidate(s) or recommendation of no suitable candidate and shall forthwith recommend to the Board for consideration and decision.
- g) If more than one (1) potential candidates are to be recommended by the Nominating Committee to the Board, the Nominating Committee shall prioritise the potential candidates to the Board for consideration by reference to the required knowledge, skill, experiences expected for such proposed directorship as well as boardroom diversity expected of the Board and to state the same on the recommendation to the Board.

**(II) For Nomination as per Paragraph 4.1 (III) and (IV)**

- a) A meeting, within seven (7) days from the last day of submission of relevant forms or information in accordance with the nomination process above, will be held by members of Nominating Committee in accordance with the terms of reference approved by the Board to evaluate potential candidate for recommendation to the Board for deliberation and approval.
- b) The Nominating Committee shall evaluate each recommendation in accordance knowledge, skill, experiences expected to be possessed for the proposed directorship under consideration (including boardroom diversity) per “**Criteria for Nomination and Selection**”.
- c) The Nominating Committee shall conduct formal interview with the candidate and to perform, with the assistance of the third party consultant where necessary and appropriate, appropriate background check to obtain corroborative information for the determination of the suitability of the shortlisted candidates, within seven (7) days from the date of meeting.
- d) Upon the completion of the interview and appropriate background check on the potential candidates, the Nominating Committee shall determine whether such candidate as requested by the shareholders is suitable and shall forthwith recommend to the Board for consideration and decision.

**4.3 Authority**

The Nominating Committee is authorised:

- a) To seek any information it requires from any employee and all the employees are directed to co-operate with any request made by the Nominating Committee; and
- b) Subject to prior discussion concerning the costs, to seek independent professional advice, at the Company’s expense, to perform its responsibilities under nomination and selection procedure.
- c) As former key audit partner shall observe a cooling-off period of at least three (3) years before he/ she shall be eligible to be considered and appointed a member of the Board and/ or Audit Committee.

**4.4 Review of the Policy**

This policy shall be reviewed by the Board at least once every three (3) years or as and when there are changes to the regulatory requirements or guidelines on the nomination and selection of directors.