

TERMS OF REFERENCE

OF

NOMINATING COMMITTEE
(REVISION: MAY 2024)

POWER ROOT BERHAD
[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. COMPOSITION

- 1.1 The members of the Nominating Committee (“NC”) shall be appointed by the Board of Directors from among the members of the Board.
- 1.2 The members of the NC shall comprise exclusively of Non-Executive Directors, a majority of whom shall be Independent Directors, as defined in Bursa Malaysia Securities Berhad’s Main Market Listing Requirements (“MMLR”) and shall consist of a minimum of not less than three (3) members. The appointment and position of a NC member shall automatically terminate when he/she ceases to be a member of the Board of Directors. Where the Members for any reason are reduced to less than three (3), that Board shall within six (6) months of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.
- 1.3 No Alternate Director shall be appointed as a member of the NC.
- 1.4 The chair of the NC should be an Independent Non-Executive Director identified by the board.
- 1.5 Members of the NC may relinquish their membership in the NC with prior written notice to the Company Secretary and stating the reason(s). The NC will review and recommend, to the Board for approval, another candidate to fill up such vacancy.
- 1.6 The Board, may from time to time and in its absolute discretion, revise the composition of the NC and the roles and responsibilities of the NC.
- 1.7 The effectiveness of the Committee shall be assessed by the Board on an annual basis.

2. QUORUM OF MEETINGS

A minimum of two (2) NC Members present in person shall constitute the quorum. In order to form a quorum for the meeting, the majority of the members present must be Independent Non-Executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

A meeting may be convened using conference telephone, conference videophone or any similar or other communications by electronic means as permits all persons participating in the meeting or communicate with each other simultaneously and instantaneously. A person so participating shall be regarded for all purposes as personally attending such a meeting and shall be counted in a quorum and be entitled to vote.

3. MAJORITY DECISION

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

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

4. CASTING VOTE

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

5. FREQUENCY OF MEETINGS

The Committee shall meet at least once annually or at such other frequency as the Chairman may determine. Any member of the NC may at any time and the Secretary shall on such request, summon a meeting of the NC.

6. NOTICE OF MEETINGS

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

7. SECRETARY

The Company's Company Secretary(s) shall be the Secretary(s) for the NC. 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.

8. MINUTES OF MEETING

The Secretary (which expression shall include the assistant or deputy Secretary appointed under item (7)) shall table the minutes of each NC 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.

9. 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 NC. 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.

10. FUNCTIONS OF THE NC

Without prejudice to the generality of the foregoing, the NC shall:-

- a. Review and assess the re-appointment or nomination of new candidates to the Board, to ensure boardroom diversity and 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 on the composition of the Board which should fairly reflect the investments of the minority shareholders in the Company, and whether the current Board representation satisfies this requirement;
- f. Consider in making its recommendations to the Board, candidates for directorship 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;
- 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 NC annually for assessing the effectiveness of the Board as a whole, the Board Committees and for assessing the contributions of each individual Director;

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- 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 the 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 at an Annual General Meeting;
- 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 and not exceeding twelve (12) 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 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 NC can obtain, at the expense of the Company, outside legal or other independent professional advice it considers necessary;
- t. Generally, to decide and implement such other matters as may be delegated by the Company's Board of Directors from time to time; and
- u. Provide a statement to the Board about the activities of the NC in the discharge of its duties for the financial year. Such statement must include the application of the listed issuer's fit and proper policy in the nomination and election of its directors, how the requirements set out in paragraph 2.20A of the MMLR are met and contain the following information:

- (a) 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 listed issuer;
- (b) the board nomination and election process of directors; and
- (c) the assessment undertaken by the nominating committee in respect of the performance of its board, committees and individual directors together with the criteria used for such assessment.

11. PROVISION OF THE TERMS

The NC shall ensure that its Terms of Reference is made available on request and the Terms of Reference shall be published on the Company's website.

12. VARIATION

The NC and Board shall review this Terms of Reference at least once every three (3) years or as and when the need arises by the Company's Board of Directors.