



ECONPILE HOLDINGS BERHAD
(1017164-M)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

1. OBJECTIVE

The primary objective of the Nomination Committee (“NC”) is to ensure that the Company has a Board of Directors of an effective composition, size and commitment to adequately discharge its duties and responsibilities.

2. MEMBERSHIP AND COMPOSITION

- (a) The NC shall be appointed by the Board of Directors (“the Board”) from amongst the Directors of the Company and shall consist of not less than three (3) members.
- (b) All members of the NC must be Non-Executive Directors, with a majority of them must be independent. The appointment of an NC member terminates when he/she ceases to be a Director of the Company, or as determined by the Board.
- (c) The Chairman of the NC shall be a Senior Independent Non-Executive Director or an Independent Non-Executive Director appointed by the Board.
- (d) No alternate director shall be appointed as a member of the NC.
- (e) In the event of any vacancy in the NC resulting the number of NC members being reduced to below three (3), the Board must fill the vacancy within three (3) months.

3. CHAIRMANSHIP

The Chairman shall be responsible for ensuring that the entire Board is kept regularly informed about the NC’s work and, where necessary, must submit matters to the Board for decision.

4. MEETINGS AND ADMINISTRATIVE MATTERS

- (a) The NC shall meet at least once during a financial year. Additional meetings may be held as decided by the Chairman.

- (b) The NC meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables the NC members to participate for the entire duration of the meeting, and that all information and documents for the meeting must be made available to all members prior to or at the meeting.
- (c) The quorum for each NC meeting shall be at least two (2) members, the majority of whom must be Independent Directors. If at any meeting, the Chairman of the NC is not present within fifteen (15) minutes of the time appointed for holding the same, the members of the NC present shall choose one of their number who shall be an Independent Non-Executive Director to chair that meeting.
- (d) Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote PROVIDED THAT where two (2) members form a quorum, the chairman of the meeting at which only such a quorum is present, or at which only two members are competent to vote on the question at issue, shall not have a casting vote.
- (e) The NC may extend an invitation to other board members, Management or employees to attend the NC meetings as it deems necessary.
- (f) The Company Secretary or such substitute as appointed by the Board or the NC from time to time shall be the Secretary of the NC. The Secretary shall be entrusted to record all proceedings and minutes of all meetings of the NC.
- (g) The Chairman of the NC shall report to the Board of Directors on its proceedings after each meeting on matters within its duties and responsibilities. The NC shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- (h) In the event the NC require matters to be approved by way of a written resolution, a resolution in writing signed or approved by letter or telefax or other electronic means by all members of the NC, shall be as valid and effectual as if it had been passed at a meeting of the NC duly called and constituted. Any such resolution may be executed in any number of counterparts, each signed by one or more members of the NC all of which taken together and when delivered to the Secretary shall constitute one and the same resolution.
- (i) 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. Except in the case of an emergency, reasonable notice of every meeting shall be given in writing and the notice of each meeting shall be served to the NC members either personally or by fax or e-mail, fax, or by post or by courier to his/her registered address as appearing in

the Register of Directors or to the address provided by the NC member, as the case may be.

- (j) The minutes of meetings must be reviewed by the Chairman of the NC before circulation to the rest of the members of the NC.
- (k) The Company shall cause minutes of all proceedings of the NC meetings to be entered in books kept for that purpose. Minutes of each meeting signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting shall be evidence of the proceedings to which it relates. The books containing the minutes of proceedings of the NC meetings shall be kept by the Company at the Registered Office and shall be open for inspection by any member of the Board.

5. RIGHTS AND AUTHORITY

The NC shall, in accordance with the procedures determined by the Board and at the cost of the Company:

- (a) have the right to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Company and the Group; and
- (d) be able to obtain independent professional or other advice.

The NC shall not have delegated powers from the Board to implement its recommendations but should be obliged to report its recommendations back to the Board for approval.

6. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the NC include the following:

- (a) identify, consider and recommend suitable persons for appointment as Directors, relying on sources from existing Board members, Management, major shareholders and other independent sources such as executive search firms etc. In making the recommendations, due consideration shall be given to:
 - (i) the candidates' skills, knowledge, expertise and experience, professionalism, character, integrity, reputation, competence, commitment (including time commitment) to effectively discharge his/her role as a Director;
 - (ii) boardroom diversity including gender diversity; and
 - (iii) in the case of candidates for the position of Independent Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Directors;

- (b) review the Board's policies and procedures for the selection of Board members;
- (c) to develop, maintain and review the criteria to be used in the annual assessment of Directors;
- (d) recommend to the Board, Directors to fill the seats on Board Committees;
- (e) facilitate Board induction programme for newly appointed Directors and assist the Board in identifying suitable training programmes for Directors;
- (f) review the Board's succession plans; review annually the structure, size and composition (including the required mix of skills, experience and core competencies which Non-Executive Directors should bring to the Board);
- (g) assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director including his time commitment, character, experience and integrity vide a formal and objective assessment. All assessments and evaluations carried out by the NC in the discharge of all its functions shall be properly documented;
- (h) assist the Board in undertaking an annual assessment of the independence of Independent Directors;
- (i) facilitate the achievement of board and diversity policies and targets;
- (j) carry out any other functions that may be directed by the Board from time to time;
- (k) review the character, experience, integrity, competence and time to effectively discharge the roles of Chief Executive and Chief Financial Officer as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- (l) consider and recommend the Directors for re-election at each Annual General Meeting;
- (m) consider and recommend the Independent Directors beyond nine (9) years for continuation in office, having due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required; and

- (n) review the term of office and performance of the Audit & Risk Management Committee and each of its members annually to determine whether the Audit & Risk Management Committee and members have carried out their duties in accordance with their Terms of Reference.

The NC shall review its Terms of Reference periodically and recommend to the Board, any changes it deems necessary.

This Terms of Reference of the NC is reviewed and approved by the Board on 29 August 2018.