

GLOSTREXT BERHAD
REGISTRATION NO. 202201005343 (1451040-T)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

1. PURPOSE AND OBJECTIVES

The objective of the Terms of Reference of the Nomination Committee (“NC”) is to establish a documented, formal and transparent procedure for the NC to support and advise the Board of Directors (“Board”) of Glostrex Berhad (“Company”) in fulfilling their responsibilities in reviewing the structure, size and composition of the Board and overseeing the nomination and selection of new nominees for the Board and key senior management and also assessment of the effectiveness of the Board as a whole and the Board Committees, performance of the Directors and key senior management and independence of the Independent Directors as well as the succession planning on an on-going basis.

2. COMPOSITION AND MEMBERSHIP

2.1 Members of the NC shall be appointed by the Board amongst its Directors and shall comprise at least three (3) members, all of whom must be Non-Executive Directors, and a majority of whom must be Independent Non-Executive Directors.

2.2 The Chairman of the Board must not be a member of the NC.

2.3 Where the members of the NC for any reason are reduced to less than three (3), the Board shall based on the recommendation of the NC 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 three (3) members.

3. CHAIRMAN

3.1 The Chairman of the NC shall be appointed by the Board and shall be an Independent Non-Executive Director or the Senior Independent Non-Executive Director.

3.2 In the absence of the Chairman of the NC, the other members of the NC shall amongst themselves elect a Chairman who must be an Independent Non-Executive Director to chair the meeting.

4. SECRETARY

The Company Secretary shall be the Secretary of the NC.

5. QUORUM AND MEETING PROCEDURES

5.1 The NC shall meet at least once a year or as and when the NC deems necessary to fulfil its responsibilities.

- 5.2 If any member is unable to be physically present, he/she may choose to participate by means of a conference telephone or any other audio, or audio-visual, communication equipment which allows all persons participating in the meeting to hear and speak with each other and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum accordingly.
- 5.3 The main venue of the meeting shall be the place where the Chairman is present.
- 5.4 The quorum for the meeting shall be two (2) members, majority of whom must be Independent Non-Executive Directors.
- 5.5 The Company Secretary, in consultation with the Chairman of the NC, shall draw up the agenda of the meeting. The agenda, together with the relevant support papers, shall be circulated at least five (5) business days, or shorter notice where it is unavoidable prior to each meeting to the members of the NC.
- 5.6 The NC may, as and when deemed necessary, invite any Board members or any member of management or consultants, who the NC thinks fit, to attend its meetings to assist and provide pertinent information as necessary.
- 5.7 A matter put to vote at the NC meetings shall be decided by a simple majority of the votes, each member of the NC having one (1) vote. In the case of an equality of votes, where two (2) members form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue, shall not have a casting vote. Otherwise in the case of an equality of votes, the Chairman has a second or casting vote.
- 5.8 A member of the NC who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall abstain from deliberating and voting.

6. MINUTES

- 6.1 The Company shall cause minutes of all proceedings of the NC meeting to be entered in books for that purpose. Minutes of each meeting shall be signed by the Chairman of the meeting at which proceedings were held or by the Chairman of the next succeeding meeting.
- 6.2 Minutes shall be kept by the Company at the Registered Office and shall be open for inspection by any NC member or Board member.
- 6.3 The minutes of each NC meeting shall be distributed to the Board members for notation.

7. WRITTEN RESOLUTION

- 7.1 A resolution in writing signed by a majority of the NC members for the time being (in accordance with the quorum that is required for a NC meeting) shall be as valid and effectual as if it had been passed at a meeting of the NC duly called and constituted.

7.2 The resolution may consist of several documents in like form, each signed by one (1) or more NC members. Such document may be accepted as sufficiently signed by a NC member if it is transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the NC member.

8. REPORTING

The NC, through its Chairman, shall report a summary of significant matters to the Board at the next Board meeting after each NC meeting. When presenting any recommendations to the Board for approval, the NC will provide such background and supporting information as may be necessary for the Board to make an informed decision.

9. AUTHORITY

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

- (a) have the resources which are required to perform its duties;
- (b) have full and unrestricted access to all information and documents within the Group to perform its duties;
- (c) obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary; and
- (d) use a variety of approaches and sources to ensure that it is able to identify suitable candidates.

All the recommendations of the NC are subject to the approval of the Board of the Company.

10. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the NC are as follows:

- 10.1 To review the composition and size of the Board and determine the criteria for membership on the Board, which may include, among other criteria, issues of character, judgment, independence, diversity, age, expertise, corporate experience, integrity, competence, length of service and other commitments;
- 10.2 To identify, consider, nominate, or recommend for the approval of the Board, candidates to fill Board vacancies or new positions to strengthen the Board's composition as and when they arise (including candidates nominated by shareholders). Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment;

- 10.3 To assist the Board to assess and evaluate circumstances where a Director involvement outside the Group may give rise to a potential conflict of interest with the Group's businesses, upon receiving the declaration of the same from the Director and thereafter, to inform the Audit and Risk Management Committee of the same. After deliberation with the Audit and Risk Management Committee, to recommend to the Board on the necessary actions to be taken in the circumstances where there is a conflict of interest;
- 10.4 In identifying suitable candidates, the NC shall:
- (a) consider open advertising or the services of external advisers to facilitate the search;
 - (b) consider candidates from a wide range of backgrounds; and
 - (c) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender and availability of time to devote to the position.
- If the selection of candidates was solely based on recommendations made by existing Board, management or major shareholders, the NC should explain why other sources were not used.
- 10.5 To establish and implement processes for the conduct of the fit and proper assessment prior to the nomination of any candidate to be appointed as Director or making recommendation for the re-election of an existing Director who is retiring by rotation at the annual general meeting;
- 10.6 To assess annually the effectiveness of the Board as a whole, Board Committees, the performance and contribution of each individual Director and the Managing Director having regard to including his/her character, competence, integrity, experience and time commitment, the required mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board. All assessments and evaluation carried out by the NC in the discharge of its duties shall be disclosed in the Annual Report;
- 10.7 To evaluate, review and assess the performance of the Board and key senior management including, taking into consideration the Company's performance in managing material sustainability risks and opportunities and the achievement of sustainability targets;
- 10.8 To assess the independence of the Independent Directors annually, and when any new interest or relationship develops and confirm the conduct of this assessment in the annual report of the Company and in any notice convening a general meeting seeking approval for the appointment, re-appointment or continuation in office of Independent Directors;
- 10.9 To review the tenure of each Director and ensure that the annual re-election of a Director is based on satisfactory evaluation of the Director's performance and contribution to the Board;
- 10.10 To develop and review criteria for the annual assessment of the Board, Board Committees, individual Directors and independence of the Independent Directors;

- 10.11 To recommend to the Board the appointment, cessation, suspension, dismissal and/or any staff movement including re-designation, re-deployment, transfer or secondment of key senior management of the Group;
- 10.12 To review the fulfilment of Directors' training for each financial year and disclose details in the annual report as appropriate;
- 10.13 To review the application of the Company's fit and proper policy in the nomination and re-election of Directors into the NC Statement in the Annual Report;
- 10.14 To review with the Managing Director and the Executive Director, their goals and objectives and to assess their performance against these objective as well as their contribution to the corporate strategy;
- 10.15 To give full consideration to succession planning for Directors and key senior management, taking into account the challenges and opportunities faced by the Company, and the required skills and expertise that are needed by the Board in future;
- 10.16 To review periodically the composition of each committee of the Board and make recommendations to the Board for the creation of additional committees or the change in mandate or dissolution of committees;
- 10.17 To review the term of office and performance of all the Board Committees annually to determine whether such Board Committees and its members have carried out their duties in accordance with their terms of reference;
- 10.18 To establish and oversee the application of the Company's diversity policy for the Board and key senior management;
- 10.19 To ensure the Board maintain at least 30% women directors and to review the participation of women in senior management to ensure there is healthy talent pipeline;
- 10.20 To review and recommend to the Board, the development and implementation of the relevant policies and procedures on nomination related matters concerning the Group; and
- 10.21 To perform such other functions as may be requested by the Board.

11. REVIEW OF THE WRITTEN TERM OF REFERENCE

- 11.1 Any amendments to this term of reference of the NC shall be approved by the Board. These terms of reference will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the NC's responsibilities.
- 11.2 The written terms of reference will be made to public on the Company's website.