

LEADER ENERGY HOLDING BERHAD

[Registration No. 202101022179 (1422479-U)]

Terms of Reference of the Nominating Committee

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The Nominating Committee of Leader Energy Holding Berhad (“Company”) has established a formal procedure that clearly sets out its role and duties, and provides it with all the necessary authority to perform that role and discharge its duties.

The Nominating Committee serves as a board committee to assist the Board of Directors of the Company (“Board”) in discharging its fiduciary duties and responsibilities relating to the nomination, selection, training and evaluation of Directors and to ensure that effective succession plans are in place for the Board and senior management.

1. Composition

Membership

- 1.1 The Nominating Committee shall be appointed by the Board from amongst their members and shall comprise at least three (3) members and all of whom must be Non-Executive Directors with a majority of them being Independent Directors. In this respect, the Board adopts the definition of “independent directors” under the MMLR.
- 1.2 The Chairman of the Board must not be a member of the Nominating Committee.

Chairman of the Nominating Committee

- 1.3 The members of the Nominating Committee shall elect a Chairman from amongst their members who shall be an Independent Non-Executive Director or the Senior Independent Non-Executive Director.
- 1.4 In the absence of the Chairman of the Nominating Committee, the other members of the Nominating Committee present shall amongst themselves elect a Chairman who must be an Independent Non-Executive Director to chair the meeting.
- 1.5 The Chairman shall:
 - 1.5.1 lead the succession planning and appointment of directors, and oversee the development of a diverse pipeline for board and senior management succession, including the future Chairman, Executive Directors and Group Chief Executive Officer (“GCEO”); and
 - 1.5.2 lead the annual review of board effectiveness, ensuring that the performance of each individual director and Chairman of the board are independently assessed.

Secretary

- 1.6 The secretary to the Nominating Committee shall be the Company Secretary.

Relinquishment of Membership

- 1.7 Members of the Nominating Committee may relinquish their membership in the Nominating Committee with prior written notice to the Board and may continue to serve as Directors of the Company.

- 1.8 If a member of the Nominating Committee resigns or for any reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall base on the recommendation of the Nominating Committee, within three (3) months from the occurrence of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

2. Authority

The Nominating Committee, in carrying out its duties and responsibilities, shall in accordance with the procedure determined by the Board and at the cost of the Company:

- 2.1 have the resources which are required to perform its duties;
- 2.2 have full and unrestricted access to any information within the Company and its subsidiaries (“the Group”); and
- 2.3 be able to obtain independent professional advice or other advice and to invite persons with relevant experience and expertise to attend its meetings, if necessary.

3. Functions and Duties

The Nominating Committee shall, amongst others, discharge the following functions:

- 3.1 Review and recommend to the Board, the development and implementation of the relevant policies and procedures on nomination related matters concerning the Group.
- 3.2 Having assessed the balance of skills, knowledge and experience of the Board, and hence defined the role and capabilities required for a particular appointment, be responsible for identifying and nominating, for the approval of the Board, suitable candidates to fill Board vacancies as and when necessary. In making its recommendation, the Nominating Committee shall take into consideration the fit and proper criteria as guided by the Directors’ Fit and Proper Policy including the following of the candidates: -
- 3.2.1 required mix of skills, knowledge, expertise and experience; time commitment, character, professionalism and integrity; board diversity including age and gender diversity; number of directorships in companies outside of the Group; special knowledge or technical skills; and
- 3.2.2 in the case of identifying candidates for the position of Independent Non-Executive Directors, consideration should be made on the candidates’ independence and ability to discharge such responsibility/functions as are expected from Independent Non-Executive Directors and taking into account the current and future needs of the Company, boardroom diversity (including gender diversity) and other soft attributes required as a Director.

- 3.3 In identifying candidates for appointment of Directors, GCEO and Chief Financial Officer (“CFO”), the Nominating Committee must not solely rely on recommendations from existing Directors, senior management or major shareholders. The Nominating Committee should utilise independent sources to identify suitably qualified candidates. If the selection of candidates was based on recommendations made by existing Directors, senior management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.
- 3.4 Recommend to the Board the re-election of Directors who retired by rotation pursuant to the Company’s Constitution and re-appointment of Directors who retired pursuant to relevant sections of the Companies Act 2016.
- 3.5 Recommend to the Board the appointment of members of each Board Committee.
- 3.6 Recommend to the Board the appointment, cessation, suspension, dismissal and/or any movement (including re-designation, re-deployment, transfer or secondment) of senior management of the Group.
- 3.7 In regard to promoting gender diversity, the Nomination Committee shall:
 - (a) ensure the Board comprises at least 30% women Directors; and
 - (b) establish gender diversity policies to support the participation of women on the board and senior management to ensure there is healthy talent pipeline.
- 3.8 Review the tenure of each Director and ensure the annual re-election of a Director is based on satisfactory evaluation of the Director’s performance and contribution to the Board.
- 3.9 Perform a formal and objective annual evaluation to determine the effectiveness of the Board as a whole in terms of the appropriate size, mix of skills, experience, board independence, diversity (including gender diversity) and other qualities of the Board, board committees as well as the contribution by each individual Director and GCEO including his/her character, competence, experience and time commitment. All assessments and evaluation carried out by the Nominating Committee in the discharge of its duties, including the application of the Directors’ Fit and Proper Policy shall be properly documented and disclosed in the Annual Report.
- 3.10 Evaluate and review performance of the Board and senior management including, taking into consideration the Company’s performance in managing material sustainability risks and opportunities.
- 3.11 Review and assess the independence of Independent Directors on an annual basis. If the Board intends to retain an Independent Director beyond nine (9) years, the Board shall provide justification and seek annual shareholders’ approval through a two-tier voting process. This shall be disclosed in the Annual Report and in any notice of a General Meeting for the appointment and re- appointment of independent Directors.

- 3.12 Review Board and senior management succession plans and overseeing the development of a diverse pipeline for Board and senior management succession, including the future Chairman, Executive Directors, GCEO and CFO.
- 3.13 Review annually the term of office, effectiveness and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.
- 3.14 Facilitate Board induction programme for newly appointed Directors.
- 3.15 With the assistance of the Company Secretary, assess the training needs of each Director and identify and recommend suitable educational and training programmes for continuous development of Directors to ensure the Directors keep abreast with development in the industry, regulatory changes and board business trends.
- 3.16 Carry out such other duties or functions as may be delegated by the Board from time to time or required by the regulatory authority or such matters as the Nominating Committee considered appropriate.

4. Meetings

Frequency

- 4.1 The Nominating Committee shall meet at least once a year. However, additional meetings may be called at any time as the Nominating Committee deems necessary to fulfil its responsibilities.

Quorum and Voting

- 4.2 The quorum for each meeting shall be two (2) members.
- 4.3 Each member of the Nominating Committee is entitled to one (1) vote in deciding the matters deliberated in the meeting. The decision that gained the majority votes shall be the decision of the Nominating Committee.
- 4.4 In the case of an equality of votes, the Chairman has a second or casting vote, except where two (2) members form a quorum, the Chairman 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. The question in issue shall then be tabled at the next meeting of the Nominating Committee or referred to the Board for decision, whichever is more expedient.
- 4.5 A member of the Nominating Committee shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him/her.

Agenda

- 4.6 A meeting agenda shall be sent to all members of the Nominating Committee and any other persons who may be required/invited to attend the meeting of the Nominating Committee and the agenda, together with the supporting papers, shall be circulated at least five (5) working days prior to each meeting. The members of the Nominating Committee, may, however, consent to shorter notice whereupon the requisite period shall be waived.

Attendance

- 4.7 If any member is unable to be physically present, he/she may choose to participate by means of a conference telephone or by 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.
- 4.8 The Nominating Committee may at its discretion and as necessary, invite any Board members or any member of the management within the Group and consultants, whom the Nominating Committee thinks fit, to attend its meetings to provide pertinent information as necessary.
- 4.9 For good governance, each member must attend at least 50% of the meetings held within the year, failing which Nominating Committee will decide on the member's disqualification and propose to the Board for approval.

5. Minutes

- 5.1 The Company Secretary shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Nominating Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.
- 5.2 Minutes of each meeting shall be distributed to the Board for notation.
- 5.3 The books containing the minutes of proceedings of any meeting of the Nominating Committee shall be kept at the registered office of the Company and shall be opened to the inspection of any member of the Nominating Committee or the Board.

6. Circular Resolution

- 6.1 A resolution in writing signed by a majority of the Nominating Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Nominating Committee duly called and constituted.
- 6.2 The resolution may consist of several documents in like form, each signed by one (1) or more Nominating Committee members. Such document may be accepted as sufficiently signed by a member if it is transmitted to the Company by facsimile or other electrical or digital written message, which include a signature of the said member.

7. Reporting

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

The Chairman of the Nominating Committee shall attend the Annual General Meeting of the Company and is answerable to any shareholder questions on the Nominating Committee's activities.

8. Review of the Terms of Reference

Any amendments to this Terms of Reference shall be approved by the Board. This 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 Nominating Committee's responsibilities.

This Terms of Reference has been adopted by the Board on 23 March 2023 and is made available for reference on the Company's website at <https://www.leaderenergy.com/>.