



QES GROUP BERHAD

Company Registration No. 201401042911(1119086-U)
(Incorporated in Malaysia)

TERMS OF REFERENCE FOR NOMINATION COMMITTEE

1. OBJECTIVE

The primary objective of the Nominating Committee ("NC") is to assist the Board in the effective discharge of its responsibility to ensure the Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

The NC Terms of Reference ("TOR") is in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Constitution of the Company.

The NC TOR also endeavours to comply with the MCGG as a guide, wherever possible.

2. COMPOSITION

The composition of the NC is in compliance with the Listing Requirements of Bursa Securities and the Constitution of the Company.

3. AUTHORITY

- (a) The NC is authorised to seek any information it requires from management of the Company in order to perform its duties.
- (b) The NC is authorised to call for any appropriate person or person to be in attendance to make presentations or furnish or provide independent advice on any matters within the scope of responsibilities.
- (c) The NC is authorised by the Board to obtain, at the Company's expense, external legal or other professional advice on any matters within its terms of reference.

4. DUTIES AND RESPONSIBILITIES

In fulfilling its primary objectives, the NC shall undertake, amongst others, the following duties and responsibilities:

- (a) The NC shall assist the Board in the effective discharge of its responsibility to ensure that the Board is an effective size, structure and composition of the Board and Board Committees having regard to the required mix of skills, independence and diversity and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- (b) The NC shall ensure appropriate selection criteria and processes and to identify to the Board, candidates for directorships of our Company and members of the relevant Board Committees;
- (c) The NC shall evaluate the effectiveness of the Board and the relevant Board committee;
- (d) The NC shall ensure appropriate framework and succession planning for the Board, including the Managing Director/President;

- (e) The NC shall ensure that the orientation and education programmes are provided for new members of the Board. Where required, the members of the NC would meet up with potential candidates for the position of director to conduct an assessment of the suitability and also utilize independent sources to identify suitably qualified candidates;
- (f) The NC shall recommend to the Board whether Directors who are retiring by rotation should be put forward for re-election/re-appointment at annual general meeting;
- (g) In determining the process for the identification of suitable candidates, the NC will ensure that an appropriate review is undertaken to ensure the requirement and qualification of the candidate nominated based on a prescribed set of criteria comprising but not limited to the following:
 - Skills, knowledge, expertise and experience;
 - Professionalism;
 - Integrity;
 - Existing number of directorships held;
- (h) In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing directors, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates;
- (i) In the case of candidates being considered for the position of independent director, such potential candidates have the ability to discharge such responsibilities/functions as expected from independent non-executive directors. Amongst others, the potential candidates must fulfil the criteria used in the definition of "independent directors" prescribed by the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and being able to bring independent and objective judgement to the Board;
- (j) The NC shall undertake an annual review of the training programmes attended by the Directors for each financial year as well as the training programmes required to aid the Directors in the discharge of their duties as Directors and to keep abreast with industry developments and trends;
- (k) The NC shall assess and recommend to the Board, the continuation of terms of office of Independent Directors in compliance with the Corporate Governance Code;
- (l) The recommendations of the NC are subject to the approval of the Board;
- (m) The NC shall review the term of office and performance of the AC and each of its members shall be reviewed by the Board annually to determine whether the members have carried out their duties in accordance with their terms of reference.

5. MEETINGS OF THE NC

The NC shall meet at least once a year and as frequently as may be required.

6. QUORUM

The quorum for a meeting of the NC shall consist of not less than 2 members.

7. PROCEEDINGS OF MEETINGS

The proceedings, reporting procedures and minutes of the NC meetings is conducted in full compliance with the Listing Requirements of Bursa Securities and the Constitution of the Company.

8. CIRCULAR RESOLUTION

A resolution in writing signed by a majority of the NC members for the time being 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 consist of several documents in like form each signed by a majority of NC members. Any such document may be accepted as sufficiently signed by NC member if transmitted to the Company by electronic or any communication facilities to include a signature of an NC member.

9. REVIEW OF THE WRITTEN TERMS OF REFERENCE

Any amendments to these terms of reference are to 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 responsibilities.

The written terms of reference will be made available to public on the Company's website.

The Terms of Reference of the NC is adopted on 14 April 2022.