

JCBNEXT BERHAD
(Company No. 641378-W)

NOMINATION COMMITTEE

<p>TERMS OF REFERENCE</p>

1. OBJECTIVES

The primary objective of the Committee is act as a committee of the full Board to assist in discharging the Board's responsibilities in the following areas:-

- a. Proposing new nominees for the Board of the Company – the actual decision as to who shall be nominated shall be the responsibility of the full Board after considering the recommendations of the Committee;
- b. Assessing the effectiveness of Directors of the Company on an ongoing basis;
- c. Reviewing the effectiveness of the CEO and Chief Financial Officer and other senior executive officers;
- d. Assessing the size and composition of the Board of Directors; and
- e. Reviewing the Board's corporate governance principles of the Company.

2. MEMBERSHIP

The members of the Committee shall comprise exclusively of Non-Executive Directors and number at least three (3) in total.

The Chairman of the Committee shall be an Independent Director or Senior Independent Director identified by the Board of Directors ("the Board").

The majority of the members of the Committee shall comprise Independent Directors.

3. ADVISERS

The Committee is authorised by the Board to seek appropriate professional advice inside and outside the group at the Company's expense, as and when it considers this necessary.

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4. DUTIES

The duties of the Committee shall be as follows:-

- (i) recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board and to review the Board's policies and procedures for the selection of Board members. In making the recommendations, the Committee should also consider candidates proposed by the Chief Executive Officer/Managing Director and, within the bounds of practicability, by any other senior executive, Director or shareholder. The Committee shall also utilise independent services to identify suitably qualified candidates. In making its recommendations, the Committee shall assess and consider:-
 - the candidate's skills, knowledge, expertise and experience;
 - the candidate's professionalism;
 - the candidate's time commitment to effectively discharge his/her role as a Director; including, amongst others, attendance at Board or Committee meetings, major company events, briefings or site visitations, participation in continuing training programmes; after consideration of the candidate's directorships in other listed issuers, public companies and corporations incorporated and listed outside Malaysia and other commitments or positions and the time commitment involved;
 - the candidate's contribution and performance;
 - the candidate's character, integrity and competence;
 - merit and against objective criteria with due regard for the benefits of boardroom diversity, including gender, age, ethnicity experience, cultural background, skill, character, integrity;
 - in the case of candidates for the position of Independent Non-Executive Directors, the Committee shall also evaluate the candidate's ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors; and
 - in considering independence, it is necessary to focus not only a Directors' background and current activities qualify him or her as independent but also whether the Director can act independently of management.
- (ii) to develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors. The nomination and the election process as well as the criteria used in the selection process and the assessment undertaken in respect of its Board, committees and individual Director should be disclosed in the Annual Report as appropriate;
- (iii) recommend to the Board, Directors to fill the seats on Board Committees;

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- (iv) facilitate the Board induction programme for newly appointed Directors with respect to the business, structure and management of the Group;
- (v) to assess the training needs of each Director, review the fulfilment of such training, and disclose details in the Annual Report as appropriate;
- (vi) review the Board and Senior Management's succession plans;
- (vii) review at least once a year the structure, size and composition including the skills, knowledge, experience and diversity of the Board and core competencies which Non-Executive Directors should bring to the Board and the balance between Executive Directors, Non-Executive Directors and Independent Directors. This activity should be disclosed in the Annual Report of the Company;
- (viii) assess annually the effectiveness of the Board as a whole, the Committees of the Board, the contribution and performance of each individual Director as well as the Chief Executive Officer and performance of other key senior management officers, including their time commitment, character, experience and integrity vide a formal and objective assessment. All assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented;
- (ix) assess annually the independence of its Independent Directors. This activity should be disclosed in the Annual Report of the Company and in any notice of a general meeting for the appointment and re-appointment of Independent Directors;
- (x) review the character, experience, integrity, competence and time to effectively discharge the roles of Chief Executive Officer and Chief Financial Officer;
- (xi) review the term of office and performance of the Audit and Risk Committee and each of its member annually to determine whether the Audit and Risk Committee and member have carried out their duties in accordance with their terms of reference;
- (xii) review and make recommendations to the Board on Succession Planning Policy for Board and management;
- (xiii) recommend to Board protocol for accepting new directorships;
- (xiv) to 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, subjected to the following:

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- a. assessment by the Committee, regarding the independence and contributions;
 - b. shareholders' approval in a general meeting, where the Board provides strong justification on the recommendation.
- (xv) consider the size of the Board with a view to determine the impact of the number upon the Board's effectiveness and recommend it to the Board;
- (xvi) ensure that the Directors to retire in each year shall be those who have been longest in the Company since their last election, but as between persons who became Directors on the same date, those to retire shall be determined by the Nomination Committee;
- (xvii) ensure that the responsibility of the Committee shall also cover the subsidiaries of the Company; and
- (xviii) such other responsibilities as may be delegated by the Board from time to time.

5. MEETINGS

The Committee shall meet at least once (1) a year. More meetings may be conducted if the need arises. The quorum for a meeting of the Committee shall be two (2) members, present in person.

The Committee meetings shall be governed by the provisions of the Company's Constitution relating to Board meetings unless otherwise provided for in this Terms of Reference. The Committee may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.

Attendance at a meeting may be in person or by way of participation via video conference or teleconference or such other means as may be agreed by the members.

The notice and agenda for each Committee meeting shall be sent to all members of the Committee and any other persons who may be required to attend the meeting within a reasonable period prior to the meeting.

The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities as well as on any other matter that should be brought to the Board's attention and provide recommendations of the Committee that require the Board's approval at the Board meeting.

The Committee shall regulate the manner of proceedings of its meetings, having regard to normal conventions on such matter.

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A resolution in writing, signed by all the members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.

The Secretary of the Company shall be secretary of the Committee.

Minutes of meetings shall be signed by the Chairman and distributed to each member of the Committee and the Board. The minutes shall be kept at the registered office of the Company under the custody of the Secretary of the Company and shall be open for inspection by the Board and external or internal auditor(s). Any request by Management or other persons to inspect the minutes shall be subject to the approval of the Committee.

6. *REPORTING RESPONSIBILITIES*

The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters with its duties and responsibilities.

The Committee shall make whatever recommendation to the Board it deems appropriate or any area within its remit where action or improvement is needed.

The Committee shall produce a report to be included in the Company's Annual Report about its activities in the discharge of its duties and the process used to make appointments and explain if external advice or open advertising has not been used.

7. *GENERAL MEETING*

The Chairman of the Committee should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

8. *SUCCESSION PLANNING FOR BOARD AND SENIOR MANAGEMENT*

The Committee shall:

- a. keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- b. give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board and Senior Management in future;

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- c. make recommendations to the Board concerning the succession plans for Executive Directors and Senior Management;
- d. make recommendations to the Board concerning re-election of any director under the retirement by rotation provisions in the Company's Constitution, continuation (or not);
- e. make any necessary recommendations to the Board concerning the continuation in office, suspension or termination of service of any director (subject, in the case of Company employees to the provisions of their service contracts, if any); and
- f. make recommendations to the Board concerning the continuation (or not) in service of any Independent Director who has served consecutively or cumulatively more than 9 years.

9. WRITTEN TERMS OF REFERENCE

Written terms of reference of the Committee shall be maintained, on its authority and duties which shall include the selection and assessment of directors, and the terms of reference shall be made available on the Company's website.