

D & O GREEN TECHNOLOGIES BERHAD

Company No: 200401006867 (645371-V)
(Incorporated in Malaysia)

TERMS OF REFERENCE FOR NOMINATION COMMITTEE

(Approved by Board on 25 August 2021)

1. Objective

The Committee has adopted the objective, promulgated in the Main Market Listing Requirements and Malaysian Code on Corporate Governance, of establishing a formal procedure for recommending appointment (including Senior Management) and re-appointment to the Board and the process of assessing the contributions of Directors.

2. Membership

- 2.1. The Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall consist of not less than three (3) members.
- 2.2. The Committee shall consist exclusively of Non-Executive Directors, a majority of whom are Independent Non-Executive Directors.
- 2.3. The Chairman of the Nomination Committee shall be selected amongst their members and the elected Chairman shall be an Independent Director or Senior Independent Director identified by the Board.
- 2.4. In the absence of the Chairman, the meeting shall be chaired by another Committee Member of whom must be independent.
- 2.5. The Chairman's roles are to:-
 - a. lead the succession planning and appointment of Board Members and oversee the development of a diverse pipeline for Board and management succession, including the Chairman and the Group Managing Director;
 - b. lead the annual review of Board effectiveness, ensuring that performance of each individual Director and Chairman of the Board is independently assessed.
- 2.6. If a member of the Committee resigns or for any reason ceases to be a member with the result that the number of members is reduced below three (3), the Board shall, within three months appoint such number of new members as may be required to make up the minimum of three (3) members.

3. Meetings

- 3.1 The quorum for a Committee meeting shall be at least two (2) members, the majority present must be Independent and Non-Executive Directors.
- 3.2 The Committee shall meet at least once a year and such additional meetings as the Chairman shall decide to perform the duties set out in these Terms of Reference.
- 3.3 The Members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

- 3.4 All decisions at such meeting shall be decided on a show of hands by a majority of votes. The Chairman shall have the casting vote should a tie arise.
- 3.5 Any resolution in writing, signed or assented to by majority Members who are Independent Directors shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held, and may consist of several documents in the like form, each signed by one or more Members of the Committee.
- 3.6 The Company Secretary shall act as Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.
- 3.7 The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.
- 3.8 The minutes of the Committee shall be made available to the Board.
- 3.9 The Committee shall have the right to invite other Directors, management and external advisers as applicable to participate in the Committee Meeting, as and when necessary, to carry out its responsibilities.

4. Rights and Authority

- 4.1 The Committee does not have the delegated authority from the Board to implement its recommendations but is obliged to report its recommendations to the full Board for its consideration and implementation. The actual decision as to who shall be appointed is the responsibility of the full Board after considering the recommendations of the Committee.
- 4.2 The Committee shall have adequate resources required to perform its duties.
- 4.3 The Committee shall have full and unrestricted access to information, records and documents relevant to its activities. Whenever deemed necessary, external independent professional advisers are also made available to render their independent views and advice to the Committee, at the Company's expense.

5. Functions and Duties

- 5.1 To consider and recommend to the Board nominated candidate for appointments as Directors and Senior Management of the Company and its subsidiaries after considering the required probity, personal integrity, reputation and financial integrity possessed and required experience and competency and time and commitment which the candidate should bring to the Board and Senior Management team per **Fit and Proper Policy** and **Policy and Procedure on Nomination and Appointment of Director and Senior Management and Re-Appointment of Director**, respectively.
- 5.2 To consider and recommend to the Board existing Director of the Company and its subsidiaries seeking for re-appointments after considering the required probity, personal integrity, reputation, financial integrity, results of performance evaluation and experience and competency and time and commitment such Director bring to the Board and the Board Committee of the Company and its subsidiaries per **Fit and Proper Policy** and **Policy and Procedure on Nomination and Appointment of Director and Senior Management and Re-Appointment of Director**.

- 5.3 Review succession planning for Board Chairman, Directors and Senior Management and recommend to the Board to ensure such succession plan is adequate and effective.
- 5.4 It is the Board's practice to also to seek candidates for directorship from independent sources, such as, external auditors or other professional firm.
- 5.5 To evaluate the ability of candidates for the position of Independent Non-Executive Directors to discharge such responsibilities and functions as expected from Independent Non-Executive Directors. In this regard, the Nomination Committee should evaluate candidates' background, current activities and his/her ability to act independently from Management when discharging such responsibilities as would be expected from Independent Non-Executive Directors.
- 5.6 To determine the independence of each individual Independent Non-Executive Directors, Nomination Committee will carry out independence assessment based on criteria and procedure under "**POLICY ON INDEPENDENCE ASSESSMENT OF INDEPENDENT DIRECTORS**". For Independent Non-Directors who are retained beyond nine (9) years, the Nomination Committee should conduct an assessment on independence of the Independent Director(s) and recommend to the Board whether the Independent Director(s) should remain independent or be re-designated.
- 5.7 To consider candidates for directorships and Senior Management position proposed by the Group Managing Director and, within bounds of practicability, by any other senior executive or any Director or shareholder.
- 5.8 To recommend to the Board, Directors to fill seats on Board Committees.
- 5.9 To assess, on an annual basis, the effectiveness of the Board, Board Committee as a whole, and the contribution of each individual Director, the Chairman, the Group Managing Director and Group Financial Controller based on assessment criteria recommended by the Nomination Committee. All assessments carried out by the Nomination Committee in the discharge of its functions should be properly documented.

This process should be coordinated by the Committee, with the assistance of the Company Secretary. The Nomination Committee shall present the result of the review to the Board and to recommend training if needed.

- 5.10 To review the term of office and performance of AC and each of its members to determine whether the Audit Committee and members have carried out their duties in accordance with their terms of reference based on the listing requirements.
- 5.11 The Nomination Committee shall identify the training needs of individual Directors, Group Managing Director and Group Financial Controller (including sustainability management) and shall from time to time identify suitable orientation, educational and training programme for continuous development of Directors, Group Managing Director and Group Financial Controller and ensure all Directors, Group Managing Director and Group Financial Controller receive appropriate continuous training programme (including sustainability management) in order to keep abreast with developments in the industry and with changes in the relevant statutory and regulatory requirements.

5.12 The Nomination Committee should ensure that the composition of the Board is refreshed periodically based on the strategies and results of the Board evaluation and performance (including the knowledge and skill sets required to perform its oversight role in relation to sustainability management). The tenure of each Director and the annual re-election of a Director should be based on satisfactory evaluation of the Director's performance and contribution to the Board. The result of such review shall be communicated to the Board for the review of its composition and to evaluate the need to bring new skills and perspective to the boardroom.

6. Others

6.1. Shareholders' Meeting

The Chairman of the Committee should attend the Shareholders' Meeting to answer any shareholder's questions on the Committee's activities, in particular on areas pertaining to proposed resolutions for shareholders to consider on the appointment of re-appointment of Directors or the retention of an Independent Director who has served the Company for more than a cumulative term of nine (9) years.

6.2. Reporting Responsibilities

The Chairman of the Committee shall report to the Board on its proceedings after each meeting of the Committee. The Committee shall make recommendations to the Board as appropriate on any area within its responsibility or as delegated by the Board, where action or improvement is needed. The Committee shall produce a report to be included in the Company's annual report about its activities and the process used to identify and make appointments.

7. Review of Terms of Reference

The terms of reference should be assessed, reviewed and updated at least once every three years by the Nomination Committee or as and when there are changes to the Malaysian Code on Corporate Governance and Main Market Listing Requirements that may have an effect on the Committees' responsibilities.

The Nomination Committee should recommend any change to the terms of reference to the Board for approval.