



QES GROUP BERHAD (1119086-U)

"ANNEXURE A"

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.

2. COMPOSITION

The members of the NC shall comprise of at least 3 members, all of whom must be Non-Executive Directors, with a majority of them being independent.

The NC shall elect a Chairman from among its members and the elected Chairman shall be an Independent Director or senior Independent Director.

If a member of the NC resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below 3, the Board shall, within 3 months from the date of that event, appoint such number of new members as may be required to make up the minimum number of 3 members.

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

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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 and senior management.
- (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 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.
- (i) 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;
- (j) 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.

- (k) The recommendations of the NC are subject to the approval of the Board.
- (l) 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.

In the event the elected Chairman is not able to attend a meeting; a member of the NC shall be nominated as Chairman for the meeting. The nominated Chairman shall be an Independent Non- Executive Director.

Subject to the notice and quorum requirements as provided in the Terms of Reference, meeting of the NC may be held and conducted through the telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.

6. QUORUM

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

7. NOTICE OF MEETINGS

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the NC, any other person required to attend and all other non-executive directors, no later than seven (7) days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

8. SECRETARY AND MINUTES

The Company Secretary and/or his or her representative or such other persons authorised by the Board shall act as the Secretary of the NC. The Company Secretary shall record, prepare and circulate the minutes of the meetings of the NC and ensure that the minutes are properly kept and produced for inspection if required.

9. CIRCULAR RESOLUTION

A resolution in writing, signed by a majority of the NC members present in Malaysia for the time being entitled to receive notice of a meeting of the NC, shall be as valid and effectual as if it had been passed at a meeting of the NC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more of the members of the NC.

10. REVISION AND UPDATES

This Terms of Reference will be reviewed and updated at least once a year to ensure it remains consistent with the NC's objectives and responsibilities.

**TERMS OF REFERNCE OF NOMINATION COMMITTEE ADOPTED BY QES GROUP BERHAD ON
11th OCTOBER 2017.**