

Nomination Committee
Terms of Reference

1. Composition

The Nomination Committee (“NC”) shall be appointed from amongst the Board and shall:-

- (i) comprise no fewer than two (2) members;
- (ii) comprise exclusively Non-Executive Directors, a majority of whom must be independent; and

The Chairman of the NC shall be an Independent Non-Executive Director.

The Chairman of the Board shall not be appointed as a member of NC.

The appointment of a member terminates when the member ceases to be a Director, or as determined by the Board.

In the event of any vacancy with the result that the number of members (including Chairman) is reduced to below two, the vacancy shall be filled within two (2) months but in any case not later than three (3) months. Therefore, a member of the NC who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.

2. Purpose

- (i) Ensure that each of its Directors, Managing Director, Chief Financial Officer and Chief Operating Officer has the character, experience, integrity, competence and time to effectively discharge his role as a Director, Managing Director, Chief Financial Officer and Chief Operating Officer, as the case may be.
- (ii) Ensure the policy and criteria to conduct periodic evaluation for effectiveness of the Board and Board Committees as well as individual directors by robust processes and procedures taking into consideration the needs of the Board such as mix of skills, independence, experience, industry knowledge and diversity (including gender diversity).
- (iii) Recommend to the Board, candidates for all directorships and on Board Committees.
- (iv) Selecting, compensating, monitoring and overseeing succession planning.

NOTION VTEC BERHAD

Registration No. 200301035125 (637546-D)

Terms of Reference of the Nomination Committee

3. Duties and Responsibilities

New Appointment

- (1) Having evaluated the balance of skills, knowledge, experience and diversity on the existing 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, candidates to fill Board vacancies as and when they arise.

In making its recommendations, the NC shall consider and assess the following attributes or factors:-

- a) merit and objective criteria with due regard for diversity in gender, age, skills, expertise, experience and cultural background;
- b) professionalism;
- c) time commitment to effectively discharge his/her role as a director;
- d) contribution and performance;
- e) background, character, integrity and competence; and
- f) any business interests that may result in a conflict of interest situation or potential conflict of interest situation that arose, persist or may arise within the Company or the Group.

in the case of candidates for the position of Independent Directors, the NC should also evaluate the candidates' ability to discharge such responsibilities / functions as expected from Independent Directors. In considering independence, it is necessary to focus not only a director's background and current activities qualify him or her as independent but also whether the Director can act independently of management.

- (2) To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors. The Board nomination and 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.

If the selection of candidates was solely based on recommendations made by the existing board members, management or major shareholders, the NC should explain why other sources were not used.

- (3) In developing its procedures and making recommendations to the Board, the NC will take into account of:-
- a) The provisions in the Company's Constitution, the Companies Act 2016, the Bursa Malaysia Securities Berhad Main Market Listing Requirements and other laws and regulations, if any, in respect of the appointment, removal, etc of directors;

NOTION VTEC BERHAD

Registration No. 200301035125 (637546-D)

Terms of Reference of the Nomination Committee

- b) The need for the Board to operate an open and transparent appointment process. This may include public advertisement or direct approaches being made to individuals who may be suitable or organisations that may be able to advise; and
 - c) The overall composition and balance of the Board.
- (4) To recommend to the Board, the Directors to fill the seats on respective Board committees.

Re-election, Re-appointment, Re-designation and Resignation/Termination

- (5) Recommend to the Board on the re-appointment of any Non-Executive Director at the conclusion of his or her specified term of office, re-election of any Director under the retirement by rotation provisions in the Company's Constitution.
- (6) Make any necessary recommendations to the Board concerning the continuation in office of any Director at any time, including the suspension or termination of service of an Executive Director as an employee of the Company subject to provision of the law and their service contracts.
- (7) To ensure that the composition of the Board is refreshed periodically. The tenure of each director should be reviewed and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the Board.
- (8) To recommend to the Board on the re-designation of the Independent Director to Non-Independent Director should the tenure of an Independent Director exceed a cumulative terms limit of nine (9) years. If the Board intends to retain an Independent Director beyond nine (9) years, it should be subjected to the following:-
- a) annual assessment by the NC, regarding the independence and contributions; and
 - b) annual shareholders' approval in a general meeting, where the Board provides strong justification on the recommendation in the explanatory notes to the resolution in the notice of a general meeting.

Notwithstanding the above, an Independent Director who has served a cumulative term of twelve (12) years and above must resign or be re-designated as a Non-Independent Director.

Specific Nomination and Succession Planning

- (9) To recommend to Board protocol for accepting new directorships.
- (10) To review the Board and senior management's succession plans.

NOTION VTEC BERHAD

Registration No. 200301035125 (637546-D)

Terms of Reference of the Nomination Committee

- (11) To 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.
- (12) To 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 in future.
- (13) To make recommendations to the Board concerning the succession plans for Executive Directors.
- (14) To 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).

Annual Performance Assessment of Board, Board Committees and Individual Directors

- (15) Assess annually:-
 - a) the required mix of skills and experience of the Board, including the core competencies which Non-Executive Directors should bring to the Board;
 - b) The effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director including his time commitment, character, experience and integrity vide a formal and objective assessment. All assessments and evaluations carried out by the NC in the discharge of all its functions shall be properly documented.
 - c) the character, experience, integrity and competence of Directors, chief executive and chief financial officer and to ensure they have time to discharge their respective roles; and
 - d) the term of office and performance of the Audit and Risk Management Committee and each of its members to determine whether they have carried out their duties in accordance with their TOR;
 - e) the independence of Independent Directors to ensure the Director can act independently of management.

All assessments and evaluations carried out by the NC in the discharge of all its functions shall be properly documented. The NC may engage a professional, experienced and independent party to facilitate the Board evaluation at the expenses of the Company.

- (16) assess the fitness and propriety of each individual Director prior to his/her initial appointment as a Director or proposed re-election/re-appointment as a Director, and/or when the Company becomes aware of information that may materially

NOTION VTEC BERHAD

Registration No. 200301035125 (637546-D)

Terms of Reference of the Nomination Committee

compromise the Directors' fitness and propriety. The NC, in conducting the fit and proper assessment, shall be guided by the Directors' Fit and Proper Policy.

Induction training and training needs analysis

- (17) To facilitate Board induction programme for newly appointed Directors with respect to the business, structure and management of the Group.
- (18) To identify suitable educational and training programmes for continuous development of Directors and assess the training needs of each Director, review the fulfilment of such training, and disclose details in the Annual Report as appropriate.

Size of Board and Independent Directors

- (19) consider the size and balance of the Board with a view to determine the impact of the number upon the Board's effectiveness and recommend it to the Board;
- (20) assess desirable number of Independent Directors;
- (21) recommend to the Board, the Company's gender, ethnicity, age, experience and diversity policies, targets and discuss measures to be taken to meet those targets (if any); and
- (22) recommend to the Board the protocol for accepting new directorships.

4. Secretary

The Company Secretary shall be the Secretary of the NC and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the NC and circulating them to the NC members. The NC members may inspect the minutes of the NC at the Registered Office or such other place as may be determined by the NC.

5. Meetings

- (1) The NC shall meet at least one (1) time in each financial year, and report to the Board of Directors after each meeting.
- (2) The quorum for a meeting shall be two (2) members.
- (3) A resolution in writing, signed by all the members of the NC, shall be as effectual as if it has 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

NOTION VTEC BERHAD

Registration No. 200301035125 (637546-D)

Terms of Reference of the Nomination Committee

more NC members and may be transmitted to the Company by any technology purporting to include a signature and/or electronic or digital signature of the NC members including but not limited to signing with a platform such as DocuSign.

- (4) In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present who would qualify under these terms of reference to be appointed to that position of the Board.
- (5) The NC 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.
- (6) The NC may request other Directors, members of Management, counsels and consultants as applicable to participate in NC meetings, as and when necessary.
- (7) A NC member shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to a situation of an actual or perceived conflict of interest. Where this cause insufficient directors to make up a quorum, the NC has the right to appoint another Director, which meets the membership criteria.
- (8) As a best practice, the Chairman of NC should attend the Annual General Meeting to answer any shareholder questions on the NC's activities.

Revision of the Terms of Reference

Any revision or amendment to this Terms of Reference, as proposed by the NC or any third party, shall first be presented to the Board for its approval.

Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

*Definition of:-

Chief Executive Officer - means the principal executive officer of the corporation for the time being, by whatever name called, and whether or not he is a director.

Chief Financial Officer - means the person primarily responsible for the management of the financial affairs of the corporation (such as record keeping, financial planning and financial reporting), by whatever name called.

NOTION VTEC BERHAD

Registration No. 200301035125 (637546-D)

Terms of Reference of the Nomination Committee

This Terms of Reference for the NC has been approved and adopted by the Board on 27 November 2023.