



ELRIDGE ENERGY HOLDINGS BERHAD
[Registration No. 202401001446 (1547297-X)]
(Incorporated in Malaysia)

TERMS OF REFERENCE
FOR THE
NOMINATION COMMITTEE
(Adopted w.e.f. 1 February 2024)

1.0 OBJECTIVES

The principal objective of the Nomination Committee (“**NC**”) is to assist the Board of Directors (“**Board**”) in their responsibilities in appointing new nominees to the Board and Board Committees to ensure that their compositions meet the needs of the Company. The NC shall also assess the performance of the Board, Board Committees and the individual Directors of the Company on an on-going basis.

2.0 COMPOSITION

- 1.1 The members of the NC shall be appointed by the Board from amongst themselves and the Chairman of the Board shall not be a member of the NC.
- 1.2 The NC shall consist of not less than three (3) members, comprises exclusively of Non-Executive Directors, of which a majority of whom are Independent Directors.
- 1.3 The Board shall, within three (3) months of a vacancy occurring in the NC which result in the number of members reduced to below three (3), appoint such number of new members as may be required to make up the minimum number of three (3) members.
- 1.4 The term of office of the NC shall be for such time as determined by the Board and members of the NC may be re-nominated and appointed by the Board from time to time.

3.0 CHAIRMAN

The Chairman of the NC shall be an Independent Director or the Senior Independent Director appointed by the Board from amongst the NC members. The NC Chairman shall chair all NC meetings but in the absence of the Chairman, the members of the NC can elect from amongst themselves as the Chairman of the NC meeting.

The Chairman of the NC shall –

- lead the succession planning and appointment of Directors, and oversee the development of a diverse pipeline for board and management succession, including the future Chairman of the Board, Executive Directors and CEO; and
- lead the annual review of board effectiveness, ensuring that the performance of each individual Director and Chairman of the Board are independently assessed.

4.0 SECRETARY(IES)

The Company Secretary or such other person(s) authorised by the Board shall act as the Secretary to the NC.

The Secretary shall be responsible for drawing up the agenda and circulating it prior to each meeting and keeping the minutes of meetings of the NC.

5.0 MEETINGS

- 5.1 Meetings shall be held at least once a year and also as and when required. The Chairman or any member of the NC may call for additional meetings at any time at their discretion.
- 5.2 The quorum for a meeting shall be two (2) members both of whom shall be Independent Directors.
- 5.3 Meeting will be attended by the members of the NC and the Company Secretary or the representative of the Company Secretary who shall act as the Secretary of the NC.
- 5.4 The Executive Directors or any other person(s) may be invited by the NC to attend its meetings as may be deemed necessary to assist in its deliberations.
- 5.5 Reasonable notice of the NC shall be given in writing sent through the post, facsimile, electronic mail and by any means of telecommunication in permanent written form to all the NC members, except in the case of emergency, where NC may waive such requirement.
- 5.6 The NC may hold a committee meeting at two (2) or more venues within or outside Malaysia using any technology that gives the NC members as a whole a reasonable opportunity to participate. A member of the NC may participate in a meeting by means of a telephone conference or video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 5.7 Questions arising at any meeting of the NC shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the meeting shall have a second or casting vote. However, at meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairman shall not have a second or casting vote. All conflicting views shall be submitted to the Board for its final decision. Any member who has an interest in any matters being reviewed or considered shall abstain from voting on the matter.
- 5.8 A circular resolution in writing signed by a majority of the members of the NC, shall be valid and effectual as if it had been passed at a meeting of the NC duly convened. Any such resolution may consist of several documents in like form, each signed by one (1) or more members of the NC, and shall include signed copies via legible facsimile transmission or other written electronic means.

6.0 AUTHORITY

- 6.1 The NC shall be provided with the resources to perform its duties and shall have at the expense of the Company, unlimited/unrestricted access to all information and documents/resources which are required to perform its duties to identify the most suitable candidates for Board position. This may include sourcing from a directors' registry and open advertisements or the use of independent search firms.
- 6.2 The NC shall also have the right to be able to obtain advice from independent parties and other professionals where they consider it necessary to carry out their duties.
- 6.3 The NC shall annually review the required mix of skills, experience, quality and core competencies which Non-Executive and Executive Directors should have bring to the Board.
- 6.4 The NC shall assess on an annual basis, the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director.
- 6.5 The NC shall review and recommend relevant succession plans.
- 6.6 The NC shall be entitled to the services of the Company Secretary(ies) who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Bursa Malaysia Securities Berhad ACE Market Listing Requirements or other regulatory requirements.
- 6.7 The Board shall make all decisions after considering the recommendations of the NC.

7.0 DUTIES, FUNCTIONS AND RESPONSIBILITIES

- 7.1 The duties, functions and responsibilities of the NC shall include the following:
 - (a) To propose, consider and recommend to the Board suitable persons for appointment as Directors of the Company.
 - In making its recommendations, the NC should consider the criteria of candidates as outlined in the Company's Directors' Fit and Proper Policy: -
 - characters, competency, skills, knowledge, expertise and experience;
 - professionalism;
 - integrity and credibility;
 - time commitment, particularly his/her number of other directorships;
 - boardroom diversity (including gender diversity); and

- in the case of candidates for the position of Independent Non-Executive Directors, the NC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
- The NC may seek out independent sources to identify qualified candidates for the Board. The NC shall also consider candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any Director or shareholder. If the selection of candidates is based on recommendations made by existing Directors, management, or major shareholders, the NC should explain why these source(s) suffice and other sources were not used.
- (b) To formulate and review the policy on Board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the Company, strengthen board leadership and oversight of sustainability issues.
 - (c) To recommend the re-election of Directors who are due to retire in accordance with the Company's Constitution.
 - (d) To conduct a fit and proper assessment on any person identified to be appointed as a Director or to continue holding the position as a Director within the Company prior to the initial recruitment or appointment (including proposed re-election or re-appointment) as a Director.
 - (e) To assess the independence of each of the Independent Directors annually to ensure he/she is continually fit and still can maintain independence in order to assume their role as Independent Director of the Company.
 - (f) To assist the Board to review on an annual basis the required mix of skills, independence and experience, and other qualities, including core competencies, which Non-Executive Directors should bring to the Board.
 - (g) To assess on an annual basis the effectiveness of the Board as a whole, the committees of the Board, and the contribution of each individual Director including the Chairman of the Board, Independent Non-Executive Directors, as well as the Chief Executive Officer, the Chief Operating Officer and the Finance Director. The evaluation of the Board includes a review of the Board's performance in addressing the Group's material sustainability risk and opportunities. All assessments and evaluations carried out by the NC in the discharge of all its functions should be properly documented.
 - (h) To review the tenure of each Director with the aim of ensuring that the composition of the Board is refreshed periodically.
 - (i) To lead the succession planning and oversee the development of a diverse pipeline for the Board and management succession, including the future Chairman of the Board, Executive Directors, and Chief Executive Officer.

- (j) To assess the skill gaps of the Directors and recommend appropriate training and development programs for the Directors in order to broaden their perspectives and to keep abreast with developments in the marketplace, changes in new statutory and regulatory requirements and understand the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities.
- (k) To review the term of office and performance of the Audit and Risk Management Committee (“**ARMC**”) and each of its members annually to determine whether the ARMC and members have carried out their duties in accordance with their terms of reference.
- (l) To carry out such other responsibilities as may be delegated by the Board from time to time.
- (m) To assess on an annual basis, the appointment and re-appointment of Independent Directors. The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. After a cumulative term of nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. However, if the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek shareholders’ approval annually through a two-tier voting process provided the tenure does not exceed a cumulative term of twelve (12) years.
- (n) To assist the Board in assessing and evaluating circumstances where a Director’s involvement outside the Group may give rise to a potential conflict of interest with the Group’s businesses, upon receiving declaration of the same from the Director and thereafter, to inform the ARMC of the same. After deliberation with the ARMC, to recommend to the Board the necessary actions to be taken in circumstances where there is a conflict of interest.

8.0 MINUTES

Minutes of each NC Meeting shall be kept at the registered office and circulate such minutes to all members of the NC and to the Board members.

The Minutes of the NC Meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence of the proceedings of the meeting duly held.

9.0 REPORTING

The Chairman of the NC shall report to the Board on the proceedings of each meeting and on matters as it considers appropriate within its terms of reference at least once a year, but more frequently if it so wishes, either formally in writing or verbally.

The NC shall report to the Board on any specific matters referred to it by the Board.

10.0 REVIEW OF THE TERMS OF REFERENCE

The Committee shall review the Terms of Reference and to make any necessary or desirable amendments as and when the Board deems necessary to ensure they remain consistent with the Board's objective. A copy of this Terms of Reference is available on the Company's website.