

ADNEX GROUP BERHAD
Registration No.: 202501003741 (1605154-U)
(Incorporated in Malaysia)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

1. OBJECTIVES

The Nomination Committee (“**NC**” or the “**Committee**”) of Adnex Group Berhad (“**Company**”) is to assist the Board of Directors of the Company (“**Board**”) in the following areas:

- i) Propose new nominees for the Board of the Company and/or its subsidiaries (“**Group**”) – The actual decision on appointments rests with the full Board, after considering the recommendations of the Committee;
- ii) Assess the effectiveness of the Executive and Non-Executive Directors of the Company on an ongoing basis;
- iii) Evaluate the size and composition of the Board; and
- iv) Ensure the policy and criteria to conduct periodic evaluations for the effectiveness of the Board and Board Committees as well as individual directors, through robust processes and procedures, taking into consideration the needs of the Board such as a mix of skills, independence, experience, industry knowledge and diversity.

2. COMPOSITION

The members of the NC of Adnex Group Berhad (“Company”) shall be appointed by the Board of Directors of the Company (“Board”) from among its members and shall exclusively Non-Executive Directors and a majority of whom must be Independent Non-Executive Directors. Alternate Director shall not be appointed as a member of the Committee.

The Chairman of the Board must not be a member of the Committee.

The Board may from time to time and at its absolute discretion, revise the composition, roles, and responsibilities of the NC.

3. CHAIRPERSON

The Committee shall elect a chairperson from amongst its members (“Chairperson”) who shall be an Independent Non-Executive Director and the elected Chairperson of the Committee shall be approved by the Board.

The Chairperson of the Committee shall:

- (i) lead the succession planning and appointment of Directors, and oversee the development of a diverse pipeline for Board and management succession, including the future Chairperson, Managing Director, Executive Directors and other key senior management of the Group; and

- (ii) lead the annual review of Board effectiveness, ensuring that the performance of each individual Director and Chairperson of the Board are independently assessed.

All members of the NC, including the Chairperson, shall hold office only for so long as they serve as Director of the Company. Members of the NC may relinquish their membership in the NC with prior written notice to the Board.

The Committee Chairman shall chair all meetings of the Committee other than matters concerning him/herself. In the event that the elected Chairperson is not able to attend the Committee meeting, a member of the Committee shall be nominated as chairperson of the meeting.

4. MEETINGS

(i) Meetings

The Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. The Chairperson may call for additional meetings at any time at his discretion.

The Secretary(ies) shall, on the requisition of the members of the NC, summon a meeting of the NC.

For the Committee's meetings (except in the case of an emergency), reasonable notice shall be given in writing to all the members of the Committee. The members of the NC may participate in a meeting by means of conference telephone, conference videophone or any other audio visual or other communications equipment by means of which allows all persons participating in the meeting to hear and speak with each other. Such participation in a meeting shall constitute presence in person at such meeting.

Other Board members and key senior management of the Company may be invited to attend the Committee meetings.

In the event issues requiring the Committee's decision arise between meetings, such issues shall be resolved through written resolution in accordance with paragraph (v) below. Such written resolution in writing shall be valid and effectual if it is signed or approved by letter, facsimile or any electronic means by a majority of the members of the Committee.

Any member of the Committee who has an actual or perceived interest or is involved directly or indirectly in any matter under consideration by the meeting must declare his/her interest in the matters and shall abstain from deliberating and voting on the said matter.

(ii) Quorum

A minimum of two (2) members present shall form the quorum.

(iii) Secretary of the Committee

The Company Secretary(ies) shall be the secretary of the Committee. The Secretary(ies) shall circulate the agenda, notice of the meetings and draft minutes together with the supporting explanatory documentation to all members of the Committee prior to each meeting and shall be entrusted to record all proceedings and minutes of all meetings of the NC.

(iv) Minutes of the Committee Meeting

Every meeting of the Committee shall be minuted either by the Company Secretary(ies) or any other person approved by the Committee and such minutes shall be confirmed by the Committee at the next succeeding Committee meeting.

The Minutes of each meeting shall be signed by the chairperson of that meeting or by the chairperson of the next succeeding meeting and shall be evidence of the proceedings that the meeting was duly convened and held.

Minutes of each meeting shall be kept at the registered office and distributed to each member of the NC and also to the other members of the Board.

(v) Written resolution

A resolution in writing signed by a majority of the NC members for the time being (in accordance with the quorum that is required for a NC meeting) shall be as valid and effectual as if it had been passed at a meeting of the NC duly called and constituted.

The resolution may consist of several documents in like form, each signed by one (1) or more NC members. Such document may be accepted as sufficiently signed by a NC member if it is transmitted to the Company by facsimile or other electronic or digital written message, which include a signature of the said NC member.

5. FUNCTIONS OF THE COMMITTEE

The functions of the Committee are as follows:

- (i) The Committee is responsible for reviewing, assessing, and recommending suitable candidates for appointment as Directors of the Company, as well as retiring Directors seeking re-election at the annual general meeting. When making recommendations to the Board regarding directorship or re-appointment, the Committee must consider the “Fit and Proper Criteria” outlined in the Company’s Directors’ Fit and Proper Policy. These criteria include, but are not limited to:
 - (a) diversity in skills, knowledge, expertise, experience, age, cultural background and gender;
 - (b) competence and professionalism as well as wide range of backgrounds of the candidates;

- (c) character and integrity;
 - (d) time and commitment, contribution and performance;
 - (e) any business interest or relationship that may result in a conflict of interest that could affect the execution of the role; and
 - (f) in the case of candidates for the position of Independent Director, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Director.
- (ii) The Committee may seek out independent sources to identify qualified candidates for the Board. The Committee is responsible for appointing a gender-diverse Board.
 - (iii) To evaluate the necessary mix of skills, experience, core competencies, and diversity (including age, cultural background, and gender) of the Board and the Board Committees. The Committee will assess the contribution and performance of each Director to ensure the Board and the Board Committees operate effectively and efficiently.
 - (iv) To review the size, structure, balance, and composition of the Board and the Board Committees to ensure optimal performance.
 - (v) To identify and review the core competencies, skills and other qualities including but not limited to the skills, knowledge, experience and diversity required by each of the Non-Executive Directors, that are essential to contribute towards the effectiveness and balance of the Board.
 - (vi) To review and evaluate the contributions made by each member of the Board, including the Independent Non-Executive Directors and the Chairman of the Board, as well as the Managing Director and Executive Directors. The evaluation will consider their experience, knowledge, credibility, and credentials, and assess their effectiveness in fulfilling their duties as Board members of the Company. All assessments and evaluations conducted by the Committee in the course of its duties must be properly documented.
 - (vii) To assess each Director's ability to contribute to the Board's decision-making process and ensure that the Board operates actively, efficiently, and effectively in all its decision-making.
 - (viii) To conduct an annual review of the term of office and performance of the Audit and Risk Management Committee and each of its members. The review will assess whether the Audit and Risk Management Committee and its members have fulfilled their duties in accordance with their Terms of Reference.
 - (ix) To evaluate annually the effectiveness of the Board and the Board Committees as a whole for assessing the contribution to the effectiveness of the decision-making process of the Board.

- (x) To develop criteria to assess annually the independence of the Independent Non-Executive Directors of the Company and to ensure that the Directors are not disqualified under relevant regulations.
- (xi) To review, consider and make recommendations regarding the continuation in office of Independent Non-Executive Directors who have served for more than nine (9) years. The assessment will take into account their performance and ability to contribute to the Board, in light of the necessary knowledge, skills, and experience.
- (xii) To oversee the development of succession planning of the Board and key senior management of the Company from time to time.
- (xiii) To ensure that all Directors, including the Executive Directors, shall retire from office at least once every three (3) years but shall be eligible for re-election.
- (xiv) To assess and recommend the re-election of Directors who are due to retire in accordance with the Company's Constitution. The recommendation will be based on the Director's performance, contributions to the Board, and compliance with the Company's policies and procedures.
- (xv) To evaluate the performance of the Board and key senior management in addressing the Company's material sustainability risks and opportunities.
- xiv. To remain up-to-date and fully informed about strategic issues and commercial changes that impact the Company and the market in which it operates.
- (xvi) To act in line with the directions of the Board.
- (xvii) To carry out such other functions or assignments as may be delegated by the Board from time to time.

6. ADVISER

The Committee is authorised by the Board to seek appropriate professional advice, both internally and externally, at the Company's expense, whenever it deems necessary.

7. AUTHORITY / RIGHTS OF THE COMMITTEE

The Company must ensure that wherever necessary and reasonable for the performance of its duties, the Committee must, in accordance with a procedure to be determined by the Board and at the cost of the Company –

- i. have explicit authority to carry out the functions as stated in its Terms of Reference and report to the Board with recommendations for the Board's decision;
- ii. have the resources which are required to perform their duties;
- iii. have full and unrestricted access to any information pertaining to the Company or the Group as well as the personnel of the Company and the Group; and

- iv. be able to obtain external legal or other independent professional or other advice.

8. REPORTING RESPONSIBILITIES

- (i) The Chairperson shall report to the Board on its proceedings after each meeting on all matters within the scope of its duties and responsibilities and table its minutes for notation by the Board.
- (ii) The Committee shall make whatever recommendations to the Board it deems appropriate, on any area within its Terms of Reference and/or where action or improvement is needed.
- (iii) The Committee shall regularly report to the Board on its activities, based on its Terms of Reference.

9. GENERAL MEETINGS

The Chairperson of the Committee shall attend the general meetings of the Company to respond to any queries or concerns regarding the Committee's functions and responsibilities and provide updates on its activities.

10. REVIEW OF THE TERMS OF REFERENCE

The Committee is responsible for periodically reviewing the Terms of Reference and recommending any necessary changes to ensure their continued relevance and viability. Such changes may be necessary in response to updates to the Malaysian Code on Corporate Governance, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, or other regulatory requirements. The Terms of Reference should also be reviewed and updated if there are changes to the Company's direction or strategies that could impact the Committee's role and ability to meet its objectives. Any recommended changes will be submitted to the Board for approval. This written Terms of Reference will be made available on the Company's website at <https://adnexinterior.com/>.

This Terms of Reference (Version No. 1) was reviewed and adopted by the Board on 22 May 2025.