

THETA EDGE BERHAD (Co No. 260002-W)

NOMINATION COMMITTEE (“NC”)

TERMS OF REFERENCE

The NC is a committee of the Board with the function of recommending appointments to the Board, Board Committees, Senior Management and other strategic positions as may be determined by the Board.

Chairman & Membership

- (i) The NC comprises a minimum of two (2) members, all of whom are Non-Executive Directors with the majority being Independent Directors.
- (ii) The term of office of each member of the NC shall be one year and is subject to re-appointment thereafter at the discretion of the Board.
- (iii) The Board shall ensure that any vacancy in the NC is filled within three (3) months of such vacancy arising.
- (iv) The appointment of a committee member automatically terminates when the member ceases to be a Director.
- (v) The NC is chaired by the Senior Independent Director or an Independent Director.

Secretary

The Company Secretary is the Secretary to the NC.

Meetings

The NC shall meet at least once a year and may invite other Board members, officers of the Company, employees and any other external parties to attend meetings or part thereof as and when necessary. Additional meetings shall be scheduled if considered necessary by the Committee members or Chairman. 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 person participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

The NC through its Chairman shall report to the Board at the next Board of Directors' Meeting after each meeting.

Questions arising at any meeting of the NC shall be decided by a majority of votes of the members present. In the case of equality of votes, the Chairman of NC shall not have a second or casting vote.

Terms of Reference

1. Assess and recommend to the Board, the candidature of new directors (whether proposed by the Board, Senior Management, shareholders or third party referrals). The NC may also utilise independent services to identify suitably qualified candidates.

In making its recommendations, the NC shall take into consideration the following criteria:-

- (i) the candidate's resume, curriculum vitae and qualification and time to effectively discharge his/her role as a Director of the Company;
 - (ii) character, integrity, competence, wisdom, commitment (including time commitment), ability to work as a team to support the Board, understanding of the business environment and in the case of candidates for the position of Independent Non-Executive Directors, the independence and ability to discharge such responsibilities as expected from the Independent Non-Executive Director;
 - (iii) whether the candidate has any conflict of interest with the Company; and
 - (iv) any other relevant criteria as may be determined by the NC from time to time.
2. Develop criteria to assess the independence of the Independent Directors.
 3. To assess on an annual basis, the independence of an Independent Director. The tenure of an Independent Director should not exceed a consecutive or cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation 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. If the Board continues to retain the Independent Director after year twelfth (12th), the Board should provide justification and seek shareholders' approval through a two-tier voting process.

4. To identify and recommend to the Board, candidates suitable for appointment as members of Committees of the Board, Senior Management and other strategic positions as may be determined by the Board.

5. To annually review the performance of the Board, Board Committees as well as the effectiveness of the Board and Board Committees, the required mix of skills, experience and other qualities of which the Board Members should bring to the Board.
6. To review annually, the term of office and performance of the Audit & Risk Management Committee ("ARMC") and each of its members to determine whether the ARMC and its members have carried out their duties in accordance with the terms of reference of the ARMC.
7. To recommend to the Board of Directors the nominees to fill on the Committees of the Board.
8. To review the succession plans for the Board and Senior Management and other strategic positions as may be determined by the Board.
9. To assess and review the training needs and training programs for Directors.
10. To assess and recommend the re-election of directors upon the expiry of their terms of appointment.
11. To consider the balance of the Board and Board Committees membership and determine the core competencies and skills required of the Board and Board Committees in order to discharge their duties effectively.
12. To introduce policy(ies) or guidelines which would enable the smooth administration and effective discharge of the Committee's duties and responsibilities.
13. To recommend the engagement of external professional advisors to assist and/or advise the NC on nomination matters, where necessary.

Circular Resolution

A resolution in writing signed by a majority of the NC members for the time being shall be as valid and effectual as if it had been passed at a meeting of the NC duly called and constituted. Any such resolution may consist of several documents in like form signed by one or more NC members. Any such document may be accepted as sufficiently signed by a NC member if transmitted to the Company by facsimile or other form of electronic, electrical or digital written message to include the signature of the NC member.

This terms of reference is dated 14 March 2019.