

PEGASUS HEIGHTS BERHAD
[Registration No. 197401002677 (19727-P)]

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

1. OBJECTIVE

The principal objectives of the Nomination Committee is to assist the Board of Directors in their responsibilities in nominating new nominees to the Board of Directors. The Nomination Committee shall also assess the performance of the Directors of the Company on an on-going basis.

2. MEMBERSHIP

- a. The Committee shall be appointed by the Board from amongst themselves and shall consist of not less than three (3) members, comprising exclusively non-executive Director, the majority of whom should be independent. A quorum shall be two (2) members.

In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within three (3) months.

- b. The Chairman of the Committee shall be elected from amongst the Committee members and shall be an independent non-executive Director.

3. SECRETARY

The Company Secretary or their nominee shall act as the Secretary of the Committee.

4. NOTICE OF MEETINGS

1. The Secretary shall on the requisition of the Committee members to summon a meeting. Reasonable notice of every Nomination Committee meeting shall be given in writing except in the case of an emergency. The Committee Chairman may call for additional meetings at any time at the Chairman's discretion.
2. 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 Committee, any other person required to attend and all other non-executive Directors, in reasonable time before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

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5. MINUTES OF MEETINGS

1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
2. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all other members of the Board, unless a conflict of interest exists.

6. FREQUENCY OF MEETINGS

The Committee shall meet not less than at least once a year.

7. CIRCULAR RESOLUTION

A resolution in writing, signed by a majority of the Nomination Committee members present in Malaysia for the time being entitled to receive notice of a meeting of the Nomination Committee, shall be as valid and effectual as if it had been passed at a meeting of the Nomination Committee duly convened and held. Any such resolution may be accepted as sufficiently signed by a Nomination Committee member if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Nomination Committee and may consist of several documents in like form, each signed by one or more of the members of the Nomination Committee.

8. AUTHORITY

- a. The Nomination Committee shall, in accordance with a procedure or process to be determined by the Board of Directors and at the expense of the Company:-
 - annually review the required mix of skills and experience and other qualities, including core competencies which non-executive and executive Directors should have.
 - assess on an annual basis, the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual Director.
 - assess on an annual basis, the independence of the Independent Directors of the Board and to ensure non-compromise to familiarity or close relationship with other board members.
 - assess on an annual basis, the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9)

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years, an independent director may continue to serve on the board subject to the director's re-designation as a non-independent director. To retain as independent directors, the board must justify and seek shareholders' approval for a person who has served in that capacity for more than nine (9) years. An independent director must not serve in the Company and/or in any one or more of the Company's related corporation for a cumulative period of more than twelve (12) years from the date of his/her first appointment as an independent director.

- be entitled to the services of a Company Secretary 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 Listing Requirements of Bursa Malaysia Securities Berhad or other regulatory requirements.

9. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Nomination Committee are as follows:-

1. To recommend to the Board of Directors, candidates for all directorships to be filled by the Shareholders or the Board of Directors. In making its recommendations, the Nomination Committee would consider the following attributes of candidates:-
 - i) skills, knowledge, expertise and experience;
 - ii) professionalism;
 - iii) character, integrity, ability to lead by example and competence;
 - iv) in the case of the candidates for the position of independent non-executive Directors, the Nomination Committee would also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive Directors;
 - v) ability to understand financial statements and form a view on the information presented;
 - vi) time commitment;
 - vii) Nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business, that the person has with the Company and its subsidiaries; and
 - viii) such other criteria and attributes that may be deemed important or relevant by the Nomination Committee
2. The Committee shall give consideration to succession planning for Directors and other senior management in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise that are on the Board in the future.

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3. The Committee is responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
4. The Committee shall keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the market.
5. The Committee shall keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates.
6. The Committee shall evaluate the performance of the Board and make recommendations to the Board, if any.
7. The Committee shall make recommendations in formulating plans for succession for both executive and non-executive Directors, the Chairman and Chief Executive.
8. The Committee shall make recommendations on the re-appointment or re-election of any non-executive Director at the conclusion of their specified term of office or under the 'retirement by rotation' provisions in the Company's Constitution having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required.
9. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
10. The Committee shall report to the Board its activities as the Board may require from time to time.
11. The Committee shall assess and recommend induction programme and training programme for the Board and Committee, as and when necessary.
12. The Committee shall review Board gender diversity participation from time to time.
13. The Committee must review the term of office and performance of an audit committee and each of its members annually to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.
14. The Committee shall arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

10. PARTICIPATION IN MEETING BY TELE-CONFERENCING

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A Director may participate in a Committee meeting by means of a conference telephone or any communication equipment or device that will allow all persons participating at the meeting to hear and speak with each other and shall be deemed as present at such meeting.

11. REVISION AND UPDATES

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

Any revision or amendment to this Terms of Reference, as proposed by the Nomination Committee or any third party, shall be presented to the Board for 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.

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