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**KIA LIM BERHAD**

Registration No.: 199501013667 (342868-P)

**TERMS OF REFERENCE  
OF  
NOMINATION COMMITTEE**

The role of the Nomination Committee (“NC”) is to ensure that the Board of Directors comprises Directors with an appropriate mix of responsibilities, skill and experience. The NC will also assist the Board in reviewing on an annual basis an appropriate balance and size of non-executive participation, establishing procedures and processes towards an annual assessment of the effectiveness of the Board as a whole, the Committee of the Board and the contribution of each individual Director including Independent Non-Executive Directors. Such assessment has been properly documented and recorded.

## **TERMS OF REFERENCE**

### **1. Composition**

The NC shall consist of not less than three (3) members. The NC shall exclusively comprise of Non-Executive Directors with a majority of Independent Directors.

Members of the NC shall be appointed by the Directors among their members at a Board Meeting or via a Directors’ Circular Resolution in writing.

At the Board of Directors’ Meeting held on 27 August 2001, the NC was set up.

Membership of the NC should appear in the Directors’ Report.

NC will ensure that the composition and size of the Board to review and re-evaluate from time to time to reflect on its appropriateness based on the following factors:

- a) Directors’ performance and how it commensurate with their remuneration;
- b) At least 30% women representation on the Board;
- c) Gender diversity in the management;
- d) 2-tier voting for retaining independent directors beyond nine (9) years; and
- e) Not appointing active politicians to the Board.

Members of the NC may relinquish their membership in the Committee with prior written notice to the Company Secretary and may continue to serve as Director of the Company.

### **2. Quorum**

The quorum for each meeting shall be a majority of members present.

### **3. Chairman**

The members of the NC shall elect a chairman from among their number who shall be a Senior Independent Director or Independent Director.

### **4. Meetings**

The meetings shall be held not less than one (1) time a year. A member may at any time and the Secretary shall on the requisition of a Director summon a meeting of the NC.

Questions arising at any meeting of NC shall be decided by a majority of votes and a determination by a majority of members shall for all purposes be deemed a determination of the NC. Where necessary and appropriate, any decision of the NC can also be made or passed by way of a written circular resolution.

In the case of an equality of votes the chairman of the meeting shall have a second or casting vote PROVIDED THAT where two (2) members form a quorum, the chairman of

the meeting at which only such a quorum is present, or at which only two members are competent to vote on the question at issue, shall not have a casting vote.

The Company Secretary shall be the Secretary of the NC. The Secretary is responsible for sending out notices of the meetings and preparing and keeping minutes of meetings. The Minutes of the Committee meeting shall be extended to all the members of the Board of Directors. The Committee shall record its conclusions in discharging its duties and responsibilities.

A meeting may be convened using telephone and/or the contemporaneous linking together by telephone or such other electronic communication media of a number of the Committee members being not less than the quorum shall be deemed to constitute a meeting of the Committee wherever in the world they are, as long as:

- a) The quorum is met;
- b) At the commencement of the meeting each Committee member acknowledges his presence thereof to all the other members taking part and such participation shall be deemed to be his presence in person;
- c) Each of the Committee members taking part is able to be heard and hear each of the other members subject as hereinafter mentioned throughout the meeting; and
- d) The Committee members present at the commencement of the meeting do not leave the meeting by disconnecting the telephone, but the meeting shall be deemed to have been conducted validity notwithstanding that the telephone or electronic communication media is accidentally disconnected during the meeting and provided that no discussions or decisions should be made in respect of matters by the members during disconnection and that if the telephone or electronic communication media cannot be re-connected at all, the meeting shall then be adjourned.

## **5. Objectives**

The primary objective of the NC is to ensure that the Directors of the Board bring character to the Board which should provide a required mix of responsibilities, skills, experience, independence and diversity (including gender, ethnicity and age). The NC will also assist the Board in reviewing on an annual basis the appropriate balance and size of non-executive participation and in establishing procedures and processes towards an annual assessment of the effectiveness of the Board as a whole, the Committees of the Board and contribution of each individual Director.

Where a vacancy exists or when it is considered that the Board would benefit from the services of a new Executive Director with particular skills, the NC will select one or more candidates with the appropriate expertise and experience.

## **6. Duties and Responsibilities**

The duties and responsibilities of the NC are as follows:

- a) Appointments
  - i) To consider and recommend to the Board, candidates for any directorships proposed to be filled by the shareholders, the Board or other sources such as independent recruitment firms, taking into consideration the following criteria:
    - aa) Required skill, knowledge, expertise and experience;
    - bb) Time commitment, character, professionalism and integrity;
    - cc) Diversity in age, gender, experience and independence;
    - dd) Number of directorships in companies outside the Group; and
    - ee) Specialist knowledge or technical skill.

- b) Retirement and Re-election
  - i) Ensure every Director is subject to retirement at least once in every three (3) years. The retiring Director shall be eligible for re-election.
  - ii) Recommend to the Board, candidates for re-election of Directors, to be approved by shareholders, pursuant to the Company's Constitution.
  - iii) Consider and recommend the Independent Directors who have served beyond 9 years for continuation in office, taking into consideration their performance and ability to continue to contribute to the Board.
  
- c) Annual Performance Assessment
  - i) To review annually the structure, size and composition of the Board, including the skill, knowledge, experience and diversity of the Board and core competencies which Non-Executive Directors should bring to the Board.
  - ii) To assess annually, the effectiveness of the Board as a whole and each Director individually, as well as the effectiveness of the various committees of the Board and to review the results of the performance evaluation thereafter.
  - iii) To review annually, the term of office, competency and performance of the Audit Committee and each of its members to determine whether such Audit Committee and its members have carried out their duties in accordance with their terms of reference.
  - iv) To conduct assessment annually on the independence of each of the Independent Non-Executive Directors to ensure he/she is continually fit and maintain independence in order to provide appropriate scrutiny and impartial judgment.
  - v) To develop, maintain and review the criteria for evaluating the performance of the Board and Board Committee and each individual Director.
  - vi) To conduct board evaluation which is facilitated by a professional, experienced and independent party, where necessary.
  
- d) Succession Planning
  - i) To give consideration to succession planning for Directors and other Senior Executives, taking into account the challenges and opportunities facing the Company and its subsidiaries ("Group") and the skills and expertise needed on the Board in the future.
  - ii) To review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
  
- e) Others
  - i) To keep up-to-date and fully informed about strategic issues and commercial changes affecting the Group and the market in which it operates.
  - ii) To act in line with the directions of the Board of Directors.

## **7. Power**

In carrying out its duties and responsibilities, the NC will in principle have full, free and unrestricted access to the Company's records, properties and personnel. The NC may use the services of professional recruitment firms to source for the right candidate for directorship or seek independent professional advice.

## **8. Review**

The NC shall review its Terms of Reference periodically and may recommend to the Board any changes it considers necessary. The Terms of Reference of the NC shall be made available on the Company's website.