



# **KIMLUN CORPORATION BERHAD**

Registration No. 200901023978 (867077-X)

## **TERMS OF REFERENCE OF THE NOMINATION COMMITTEE**

## **A. Composition and Membership**

The Nomination Committee (“NC”) shall be appointed by the Board of Directors (“Board”) and shall consist of not less than three (3) members of which comprising exclusively Non-Executive Directors, the majority of whom shall be Independent Directors.

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

In the event of any vacancy in the NC resulting in the non-compliance of the above, the Board shall take steps to fill the vacancy within three (3) months of the event.

The Board must review the term of office and performance of the NC and each of its members annually to determine whether the NC and members have carried out their duties in accordance with their Terms of Reference (“TOR”).

No Alternate Director shall be appointed as a member of the NC.

## **B. Chairperson**

The members of the NC shall elect a Chairperson among themselves, who shall be an Independent Non-Executive Director of the Company.

## **C. Secretary**

The Company Secretaries of the Company or such substitute as appointed by the Board from time to time shall act as the Secretary of the NC during the term of his/her appointment.

## **D. Duties and Responsibilities**

The duties and responsibilities of the NC are as follows:-

### **(1) New Appointment**

- (a) Identify, consider and recommend to the Board, the candidates for appointment as Directors. The NC shall not solely rely on recommendations from existing Board members, Management or major shareholders, but will also utilise independent sources to

identify suitably qualified candidates. In making the recommendations, the NC shall:-

- (i) Conduct the fit and proper assessment;
  - (ii) Assess the candidates' skills, knowledge, expertise, experience, professionalism, commitment, integrity, character and competence;
  - (iii) Consider board diversity including age and gender; and
  - (iv) In the case of candidates for the position of Independent Non-Executive Directors, the NC should also evaluate the candidate's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors;
- (b) If the selection of candidates was solely based on recommendations made by existing Board, Management or major shareholders, the NC should explain why other sources were not used;
- (c) Recommend to the Board, Directors to fill the seats on Board Committees, in consultation with the respective Chairperson of those Committees. In the event that a Chairperson's position (regardless of Board/ Committee) is to be filled, to consult with the Board;

(2) Size of Board and Independent Directors

- (a) Assess the desirable balance in board membership by reviewing the size, gender, structure, diversity and composition of the Board, taking into consideration the number of directorships;
- (b) Assess desirable number of Independent Directors;
- (c) Facilitate achievement of Board gender diversity policies and targets;

(3) Re-election, Re-appointment and Resignation/Termination

- (a) Develop and implement the fit and proper policy for the appointment and re-election of Directors of the Group that addresses the board quality and integrity.

- (b) Review and recommend to the Board, candidates for re-election of Directors by shareholders under the annual re-election provisions or retirement, with due consideration to the fit and proper assessment, the extent to which the interplay of the Director's expertise, skills, knowledge and experience with those of other board members, as well as their roles as committee members;
  - (c) Where there is an Independent Director whose term will exceed/has exceeded the nine-year tenure, the NC shall justify the recommendation to retain the Independent Director after the ninth year to the Board for consideration before seeking annual shareholders' approval through a two-tier voting process;
  - (d) Deliberate on matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of the law and the service contract;
- (4) Annual Performance Assessment of the Board, Board Committees and Individual Directors
- (a) Develop and review the performance criteria to evaluate the performance of the Board, Board Committees and Individual Directors;
  - (b) Assess annually the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director as well as the Chief Executive Officer having regard to time commitment, character, experience, integrity, the required mix of skills, experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and thereafter, recommend its findings to the Board. All assessments and evaluations carried out by the NC in the discharge of all its functions shall be properly documented and disclosed in the Annual Report;
  - (c) Review annually the performance of the Board and Senior Management in addressing the Company's material sustainability risks and opportunities;

- (d) Review the term of office and performance of the Audit Committee and Risk Management Committee and each of its members annually to determine whether the Audit Committee and Risk Management Committee and its members have carried out their duties in accordance with their TOR;
- (e) Review the tenure of each Director annually and ensure that the annual re-election of a Director is based on satisfactory evaluation of the Director's performance and contribution to the Board, and the relevant Director has submitted the Directors' Declaration of Fit and Proper Assessment Form;
- (f) Review and assess the independence of Independent Directors annually;

(5) Training

To identify appropriate training or induction programs for the Directors to ensure that all Directors receive continuous training annually; and

(6) Succession Planning

Review Board and Key Senior Management succession plans and overseeing the development of a diverse pipeline for Board and Key Senior Management succession.

## **E. Structures and Procedures of Meetings**

(1) **Frequency of Meetings**

The NC shall meet at least once a year or more frequently as circumstance may dictate, with due notice of issues to be discussed and should record its conclusion in discharging its duties and responsibilities.

(2) **Calling**

Chairperson of NC may call for additional meetings at the request by any NC member or the Management.

(3) **Venue**

The NC meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enable the NC members as a whole to participate for the entire duration of the meeting. The technology to be used for the purpose of this paragraph must enable each NC member taking part in the meeting to communicate simultaneously with each of the other NC members and may include telephone, video conferencing, or any other audio and/or visual device which permits instantaneous communication. All information and documents for the meeting must be made available to all members prior to or at the meeting.

(4) **Virtual meeting**

A virtual meeting shall be deemed to constitute a NC meeting provided the following conditions are met:

- (a) all the NC members for the time being entitled to receive notice of the NC meeting shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as may be permitted by the Constitution of the Company; and
- (b) a NC member may not leave a virtual meeting by disconnecting from the technology used unless he/she has previously expressly notified the Chairperson of his/her intention to leave the meeting and a NC member shall be conclusively presumed to have been present and to have formed part of the quorum at all times during such a meeting until such notified time of his/her leaving the meeting.

The main venue of the NC meeting shall be the place where the Chairperson is present at the NC meeting or the Chairperson of the meeting is present, if the meeting is not chaired by the Chairperson of the NC.

(5) **Notice**

Except in the case of an emergency, reasonable notice of every meeting shall be given in writing and the notice of each meeting shall be served to the NC members either personally or by fax or by post or by courier or by e-mail to his/her registered address as appearing in the Register of Directors, as the case may be. The agenda and relevant papers for the NC meeting must be issued at least five (5) business days in advance of each meeting.

(6) **Quorum**

The quorum of the NC shall be two (2) members present who are Independent Directors.

(7) **Chairperson**

If the Chairperson of the NC is not present within fifteen (15) minutes after the time appointed for the holding of the meeting, the NC members present shall elect one of their members to be the Chairperson of the meeting.

(8) **Attendance**

The NC should disclose the number of committee meetings held in a year and the details of attendance of each individual member in respect of meetings held.

The NC may, as and when deemed necessary, invite any Board members, Senior Management staff or consultants, who the NC thinks fit, to attend its meetings to assist and provide pertinent information as necessary.

(9) **Voting**

A resolution put to the vote of the meeting shall be decided on a show of hands. In the case of an equality of votes, the Chairperson shall be entitled to a second or casting vote. Nevertheless, at meetings where two (2) members are present or when only two (2) members are competent to vote on an issue, the Chairperson of the NC will not have the second or casting vote.

A member of the NC who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall abstain from deliberating and voting.

**(10) Written Resolution**

A written resolution signed or approved by letter or telefax or facsimile, email or other electronic means and to include a signature and/or an electronic or digital signature by **all** members of the NC shall be valid and effectual as if it had been passed at a meeting of the NC duly called, convened, held and constituted. Any such resolution may be executed in any number of counterparts, each signed by one or more members, all of which taken together and when delivered to the Secretary of the NC shall constitute one and the same resolution.

**(11) Keeping of Minutes**

Minutes of each meeting shall be signed by the Chairperson of the meeting at which the proceedings were held and kept as part of the statutory record of the Company upon confirmation by the NC and a copy shall be distributed to each member of the NC.

**(12) Custody, production and inspection of Minutes**

The minutes shall be kept by the Company at the Registered Office or the principal place of business of the Company in Malaysia, and shall be open for inspection by any NC member or Board member without charge.

## **F. Reporting**

- (1) The NC Chairperson shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities; and
- (2) The NC shall make whatever recommendation to the Board it deems appropriate on any area within its remit where action or improvement is needed.



## **G. Rights**

The NC should be entitled to the services of a secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, for the Company's own records and for the purposes of meeting statutory requirements, as well as obligations arising from the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and/or other regulatory authorities.

In performing of its duties and responsibilities, the NC shall in accordance with a procedure to be determined by the Board and at the expense of the Company to:-

- (1) have the resources which are required to perform its duties;
- (2) have full and unrestricted access to any information pertaining to the Group; and
- (3) be able to obtain independent professional or other advice and to invite persons with relevant experience and expertise to attend the NC meetings (if required).

## **H. Review of the Terms of Reference**

The TOR shall be reviewed and updated by the NC on a periodic basis as it deems appropriate for the Board to approve. Such review shall be in line with any regulations that may have an impact on the discharge of the NC's responsibilities.

This TOR was reviewed and approved by the Board on 29 November 2022 and is made available for reference on the Company's website at <http://www.kimlun.com>.

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