MKH BERHAD

Registration No: 197901006663 (50948-T)

TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

1. OBJECTIVES

The principal objective of the Nomination Committee (**"NC"**) is to ensure that the Board of Directors (**"Directors"**) (the **"Board"**) of MKH Berhad (the **"Company"**) comprises Directors with the required mix of skills, experience and other qualities needed to function effectively and efficiently towards achieving its intended goals and objectives. The NC will also assist the Board in reviewing on an annual basis the composition and size of Non-Executive Directors' participation and in establishing the procedures and processes to assess the performance and effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director on an on-going basis.

2. COMPOSITION

The NC is made up entirely of Non-Executive Directors and shall consist of not less than two (2) members, with a majority of them being Independent Directors. The Chairman of the Board shall not be a member of the NC. Similarly, no alternate Director shall be appointed as a member of the NC.

In the event of any vacancy in the NC resulting in the number of members of the NC reduced to below two (2), the vacancy shall be filled as soon as possible and shall not be later than three (3) months from that event.

3. CHAIRMAN OF THE NC

The Chairman of the NC shall be elected from amongst themselves and shall be an Independent Non-Executive Director. Where a Senior Independent Director position exists, the Senior Independent Director shall assume the position of the Chairman.

In the absence of the Chairman, the other members of the NC shall amongst themselves elect an Independent Director to chair the meeting.

4. SECRETARY OF THE NC

The Company Secretary shall act as Secretary to the NC.

The Company Secretary shall draw up the agenda for each meeting in consultation with the Chairman of the NC. The agenda shall be sent to all members of the RC at least seven (7) calendar days prior to each NC meeting, unless with the unanimous consent of the NC members for calling a shorter notice of meeting.

The Company Secretary shall promptly prepare the minutes of the meeting and circulate it to each member. The minutes of the NC shall be confirmed and signed by the Chairman or the presiding Chairman of the next succeeding meeting.

5. NC MEETING

Meeting shall be held once a year or more often as the NC deemed as necessary to fulfil its responsibilities. The quorum for meeting shall be two (2) members present.

The Chairman will report on key issues discussed and deliberated by the NC to the Board, which requires attention and approval of the Board. When presenting any recommendation to the Board, the NC will provide such background and supporting information as may be necessary for the Board to make an informed decision.

Any NC members may participate in a meeting by means of video or tele-conferencing or any other communications equipment, which allows all members of the NC participating in the meeting to communicate simultaneously with each other. Such participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

6. DUTIES AND RESPONSIBILITIES

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

(a) to identify, evaluate and recommend new candidates to the Board and any Board committee of the Company and its subsidiaries based on recommendations from existing Directors, management or major shareholders and other independent sources. In making its recommendation, the NC shall refer the Fit and Proper Policy and consider the candidates': -

  i) age, gender, cultural background, track record, skills, knowledge, expertise and experience;
  ii) professionalism, integrity, contribution, performance and time commitment;
  iii) in the case of candidates for the position of Independent Non-Executive Directors, the candidate's independence and ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors; and
  iv) other commitment and time available to contribute inputs to the Board.

(b) to identify, evaluate and recommend or approve, as the case may be, the appointment of key management;

(c) to review succession planning and senior management development, including nominations to the Board, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;

(d) to develop policies and review on an annual basis, the current composition and tenure of each Director, the size of the Board and required mix of skills, experience, responsibilities and other qualities including core competencies which Non-Executive Directors should bring to the Board in ensuring the continued effectiveness of the Board;

(e) to develop policies and 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, including Executive Chairman, Managing Director, Executive Director and Independent Non-Executive Directors;

(f) to review and recommend Directors of the Company and its subsidiaries who are retiring by rotation to be put forward for re-election taking into consideration of their performance and ability to contribute to the Board of the Company and its subsidiaries in terms of knowledge, skills, experience and fit and proper criteria;

(g) to conduct annually an assessment on the independence of the Independent Directors of the Company, and to disclose in the annual report and in any notice convening a general meeting that such assessment has been conducted for the appointment and re-appointment of Independent Directors.

(h) to review and recommend to the Board the continuation of office of Independent Directors whose tenure as Independent Directors has exceeded a cumulative term of nine (9) years at the Company's annual general meeting, subject to a two-tier voting process:-

(i) tier 1: only large shareholders of 33% or more to vote; and
(ii) tier 2: shareholders other than the large shareholders' to vote.

(i) to review training needs/training programme for the Board and to facilitate Board induction and training program for all Directors to enhance their performance;

(j) to ensure that a statement on the activities of the NC in the discharge of its nomination duties for the financial year is included in the Company's annual report;

(k) to review and recommend to the Board the Directors' Fit and Proper Policy for the appointment and reappointment of the Directors of the Company and its subsidiaries from time to time; and

(l) to carry out such other responsibilities as may be delegated by the Board from time to time and such other matters as the NC considers appropriate.

7. CIRCULAR RESOLUTION

A resolution in writing described as "Circular Resolutions of the NC" signed by a majority of the NC members shall be 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 the like form, each signed by one (1) or more members. The resolution in writing may be accepted as sufficiently signed by the NC member if transmitted to the Company via facsimile or other forms of electronic communications.

8. REVIEW OF THE TERMS OF REFERENCE

This term of reference of NC has been reviewed and approved by the Board on 27 February 2025 and will be reviewed and updated periodically to ensure it remains consistent with new best practices and new legal or regulatory requirements.