

**TERMS OF REFERENCE FOR NOMINATION COMMITTEE**

**1. Objectives**

The Nomination Committee (the "NC") of Kumpulan Kitacon Berhad (the "Company") was formed by the Board of Directors of the Company (the "Board"). Its primary function, in line with the Malaysian Code on Corporate Governance, is to assist the Board in the following areas:

- proposing new nominees for the Board of the Company and/or its subsidiaries (the "Group") - the actual decision as to who shall be nominated shall be the responsibility of the full Board after considering the recommendations of the NC;
- appraise each individual Director, including Independent Non-Executive Directors as well as the Managing Director in terms of their individual experience, knowledge, credibility and credentials, and assess their effectiveness and contribution in carrying out their obligations and duties as a Board member of the Company;
- examine the ability of each Director, including the Managing Director, to contribute to the effective decision-making process of the Board and ensure that the Board is functioning actively, efficiently and effectively in all its decision making; and
- assess the effectiveness, size and composition of the Board as a whole and the committees of the Board.

**2. Composition**

- 2.1 The Chairman of the Board should not be the member of the NC. The Chairman of the NC shall be an Independent Non-Executive Director.
- 2.2 The membership of the NC shall comprise exclusively Non-Executive Directors, a majority of whom are independent and number at least three (3) in total. The NC member shall automatically cease to be a member of NC when the member ceased to be a Director, or as determined by the Board.
- 2.3 No Alternate Director shall be appointed as a member of the NC.

### **3. Quorum and Meeting Procedures**

The NC shall meet at least once (1) a year. More meetings may be conducted if the need arises. The quorum for a meeting of the NC shall be two (2) members, present in person.

A resolution in writing, signed by all the members of the NC, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more NC members and may be accepted as sufficiently signed by NC members if transmitted to the Company by email, facsimile or other electronic means or digital written message/application to include a signature of NC members.

In the absence of the Chairman of the NC, the members present shall elect a Chairman for the meeting from amongst the members present who would qualify under these terms of reference to be appointed to that position of the Board.

The NC 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 persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

As a best practice, the Chairman of the NC should attend the Annual General Meeting to answer any shareholder questions on the NC's activities.

### **4. Secretary**

The Secretary of the Company (the "Secretary") shall be secretary of the Committee. The Secretary, in conjunction with the Chairman of the NC, shall draw up an agenda, which shall be circulated together with the relevant support papers, at least one (1) week prior to each meeting to the members of the NC.

### **5. Attendance**

The Managing Director may be invited to attend meetings to discuss the performance of Executive Directors and make proposals, as necessary.

### **6. Advisers**

The NC is authorised by the Board to seek appropriate professional advice inside and outside the Group as and when it considers this necessary at the expense of the Company.

## **7. Responsibilities and Duties**

In fulfilling its primary objectives, the Committee shall undertake the following responsibilities and duties:

7.1 having evaluated the balance of skills, knowledge and experience on the Board, and hence defined the role and capabilities required for a particular appointment, be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.

7.1.1 In making the recommendations, the Committee will also consider candidates proposed by the Managing Director, and within the bounds of practicability, by any other senior executive, Director or shareholder. The Committee shall also utilise independent services to identify suitably qualified candidates. In making its recommendations, the Committee shall assess and consider the following attributes or factors:

- a) skills, knowledge, expertise and experience;
- b) professionalism;
- c) commitment (including time commitment) and the number of directorship held to effectively discharge his/her role as a Director;
- d) contribution and performance;
- e) background, character, integrity, and competence;
- f) in the case of candidates for the position of Independent Non-Executive Directors, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-executive Directors;
- g) Boardroom diversity including gender diversity; and
- h) in considering independence, it is necessary to focus not only on a Director's background and current activities qualify him or her as independent but also whether the Director can act independently of management.

7.2 make recommendations to the Board for the appointment of the Chairman, Managing Director and Senior Independent Director, including an assessment of the time commitment expected and recognising the need for availability in the event of crises;

7.3 review and define orientation and induction plans for new directors;

7.4 develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors. The nomination and the election process should be disclosed in the Annual Report.

If the selection of candidates was solely based on recommendations made by the existing board members, management or major shareholders, the NC should explain why other sources were not used;

- 7.5 recommend to the Board, Directors to fill the seats on Board Committees;
- 7.6 assess the training needs of each Director, review the fulfilment of such training, and disclose details in the Annual Report as appropriate;
- 7.7 review the Board's succession plans;
- 7.8 review and make recommendations to the Board on Succession Planning Policy for the management;
- 7.9 review annually the required mix of skills, experience and other qualities of the Board, including core competencies which Non-Executive Directors should bring to the Board. This activity shall be disclosed in the Annual Report of the Company;
- 7.10 assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director including his time commitment, character, experience and integrity vide a formal and objective assessment. All assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented;
- 7.11 assess annually the effectiveness and performance of the Managing Director and Executive Directors;
- 7.12 assess annually the independence of its independent directors.
- 7.13 consider the size and balance of the Board with a view to determine the impact of the number upon the Board's effectiveness and recommend it to the Board;
- 7.14 recommend to the Board the Company's gender composition of the Board;
- 7.15 recommend to the Board the protocol for accepting new directorships;
- 7.16 review, at least once a year, its own performance, 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; and

7.17 consider and recommend the Independent Directors beyond nine (9) years for continuation in office, having due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required; assess annually the term of office and performance of the Audit and Risk Management Committee and each of its members to determine whether such Audit and Risk Management Committee and members have carried out their duties in accordance with their Terms of Reference.

## **8. Procedures**

The Board follows formal and transparent procedures when appointing directors as follows:-

8.1 The NC shall prepare descriptions of the director characteristics the Board is looking for in a new appointment.

8.2 The NC will seek professional advice as and when it considers necessary to identify a short-list of suitable candidates and a list of nominations for candidates proposed by the Managing Director, and within the bounds of practicability, by any other senior executive, director or shareholder for considerations.

8.3 All the candidates are interviewed by at least two members of the NC whose evaluations will be circulated to all the members of the NC. A target appointment date is then fixed.

8.4 The NC will then have to make a majority decision in recommending the appointment to the Board.

8.5 The Board will then decide on the best candidate by ballot or majority decision and a Board resolution will be passed to appoint the candidate.

8.6 The written consent of the nominees to act if elected shall be secured.

The NC shall regulate its own procedure to be followed in the discharge of its duties and responsibilities set out in Section 7 above. The regulation and implementation of such procedure shall, as far as circumstances permit be in keeping with the principles and requirements of the Malaysian Code on Corporate Governance.

## **9. Minutes**

The Secretary shall keep all the minutes of meetings of the NC and copies thereof shall be circulated to all members of the Board.

## **10. Succession Planning for Board**

The NC shall, as and when required:

- 10.1 keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- 10.2 give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in future;
- 10.3 make recommendations to the Board concerning the succession plans for Executive Directors and in particular for the Managing Director;
- 10.4 make recommendations to the Board concerning the re-appointment of any non-executive director at the conclusion of his or her specified term of office, re-election of any director under the retirement by rotation provisions in the Company's Constitution, continuation (or not) in service of any director who has reached the age 70, if any;
- 10.5 make any necessary recommendations to the Board concerning the continuation in office, suspension or termination of service of any director (subject, in the case of Company employees to the provisions of their service contracts, if any); and
- 10.6 make recommendations to the Board concerning the continuation (or not) in service of any Independent Director who has served consecutively or cumulatively more than 9 years.

## **11. Revision of the Terms of Reference**

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

*(This Terms of Reference for the Nomination Committee was approved and adopted by the Board on 20 June 2022)*

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