

**TERMS OF REFERENCE OF THE NOMINATION COMMITTEE**

**COMPOSITION**

The Nomination Committee of KPS Consortium Berhad (“KPSCB” or “Company”) shall be appointed by the Board from among the Directors of the Company and shall comprise exclusively Non-Executive Directors of whom a majority shall be Independent Directors.

The members of the Nomination Committee shall elect a Chairman from among themselves who is an Independent Director. All members of the Nomination Committee, including the Chairman, will hold office only so long as they serve as Directors of KPSCB.

The Chairman of the Nomination Committee shall report to the Board of Directors of the Company (“Board”) on any matter that should be brought to the Board’s attention and provide recommendations of the Nomination Committee that require the Board’s approval at the Board meeting.

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**Objective**

The objective of the Nomination Committee is to ensure that the Directors bring characteristics to the Board, which provide a required mix of responsibilities, skills and experience. The Nomination Committee 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 and contribution of each individual Director and Board Committee member.

When 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 Nomination Committee shall recommend to the Board one or more candidates with the appropriate expertise and experience. The Nomination Committee may also consider in making its recommendations, candidates for directorships proposed by the Managing Director and within the bounds of practicability, by any Director and by the shareholder or may use the services of a professional recruitment firm. The Nomination Committee will then make its recommendation on the candidates for submission to the Board for approval.

In assessing and evaluating the suitability of candidates for recommendation to the Board for appointment as well as Directors who are seeking for re-election, the Nomination Committee will consider the criteria set out in the Directors' Fit and Proper Policy including skill, knowledge, expertise and experience, professionalism, integrity, competency, commitment, contribution and performance.

**Authority**

The Nomination Committee should not have the delegated power from the Board to implement its recommendations but should be obliged to report its recommendations to the full Board for its consideration and implementation. This is in recognition of the importance of diversity within the Board and the need for Board membership to be endorsed by all or the majority.

In carrying out its duties and responsibilities, the Nomination Committee will in principle have access to KPSCB’s records, properties and personnel. The Nomination Committee may use the services of professional recruitment firms to source for the right candidate for directorship or seek independent professional advice whenever necessary.

## **Duties and Responsibilities**

The following are the main duties and responsibilities of the Nomination Committee collectively. These are not exhaustive and can be augmented if necessary, by Board approval:-

- Develop, maintain and review the criteria to be used in the recruitment process and annual assessment of the Board.
- Examine the size of the Board with a view to determine the number of Directors on the Board in relation to its effectiveness and ensure that at every annual general meeting, one-third of the Directors for the time being shall retire from office. A retiring Director shall be eligible for re-election. Every director, including the Managing Director, shall be subject to retirement at least once in every 3 years.
- Ensure that the appointment of any Executive Director or Managing Director of KPSCB shall be for a fixed term not exceeding three years at any one time with power to re-appoint, remove or dismiss thereafter.
- Assess annually the effectiveness of the Board as a whole (including the required mix of skills, independence and diversity (including gender diversity)), the Board Committees and the contribution of each individual Director based on the process implemented by the Board.
- Review annually the required mix of skills, experience and other qualities, including core competencies which non-executive Directors should bring to the Board and disclose the same in the Annual Report.
- Recommend suitable orientation, educational and training programmes to continuously train and equip the existing and new Directors.
- Recommend to the Board, candidates for all directorships and to recommend to the Board candidates to fill the Audit, Nomination, Remuneration or other Board Committees. A description/specification for the new Directors should be drafted before identifying possible candidates. Candidates should be evaluated against this specification.
- Review on annual basis the term of office and performance of the Audit and Risk Management Committee and each of its members pursuant to Paragraph 15.20 of the Main Market Listing Requirements.

## **Meetings**

The Nomination Committee shall meet at least once a year. The Committee will meet as and when required and report to the Board after each meeting.

The Nomination Committee Meetings shall be chaired by the Chairman of the Committee. In the absence of the Chairman of the Nomination Committee, the members present shall elect from among themselves, a chairman for the Meeting. The Chairman also has the discretion to call for additional meetings at any time. The quorum for each meeting shall be two (2) members. All recommendations and findings of the Nomination Committee shall be submitted to the Board for approval. In the absence of a meeting, any issues shall be resolved through circular resolution.

The Managing Director and Executive Directors and/or other appropriate officers may be invited to attend where their presence is considered appropriate as determined by the Nomination Committee.