

K. SENG SENG CORPORATION BERHAD
(Registration No. 198501000983 (133427 W))
(Incorporated in Malaysia)

**TERMS OF REFERENCE OF THE
NOMINATION COMMITTEE**

1. INTRODUCTION AND OBJECTIVES

The Nomination Committee (“NC”) is established by the Board of Directors (“Board”) of K. Seng Seng Corporation Berhad (“KSSC” or the “Company”) to assist the Board on matters pertaining to the nomination, selection, and assessment of Directors and Senior Management of the Company, considering the overall stewardship and leadership of KSSC and its group of subsidiaries (“Group”).

This Terms of Reference of the NC (“TOR”) specifies the authorities and duties of the NC and shall be read together with KSSC’s Board Charter.

2. REVIEW AND UPDATE

This NC TOR is approved by the Board of KSSC on 24 February 2021.

This TOR will be amended and modified from time to time in line with any changes in relevant legislation, codes or regulations (in so far as they are applicable to this TOR and are mandatory), and all such amendments and modifications shall be deemed incorporated without the requirement for further approvals from the Committee and the Board. The Committee and the Board shall thereafter be duly informed of such amendments and modifications.

3. COMPOSITION AND CHAIRMAN

- 3.1. The composition of the NC must comprise at least 3 Directors.
- 3.2. All members must be Non-Executive Directors and majority of them must be Independent Directors.
- 3.3. The NC must appoint a NC Chairman from amongst its members who is an Independent Director.

4. SECRETARY

- 4.1. The Company Secretary(ies) shall be the secretary(ies) for the NC.

5. ROLES AND RESPONSIBILITIES

- 5.1. The NC’s functions include the following:
 - 5.1.1. reviewing and recommending to the Board on an annual basis, the size and composition of the Board, including the number of Directors on the Board, in accordance with **Paragraph 5.2.3** and **5.2.4** of KSSC’s Board Charter. This includes reviewing the core competencies which Non-Executive Directors are expected to bring to the Board;
 - 5.1.2. ensuring the sourcing of candidates for directorships of the Company considers independent sources, apart from recommendations by existing Directors, Management, and major shareholders;

- 5.1.3. assist the Board to maintain and review the KSSC Group's Fit and Proper Policy approved by the Board and to be guided by the KSSC Group's Fit and Proper Policy in the NC's activities;
- 5.1.4. assessing and recommending to the Board on candidates for directorships, on the re-election and re-appointment of Directors (including the continuation of the office of Independent Directors whose tenure has exceeded a cumulative term of 9 years), and Directors to sit on Board Committees;
- 5.1.5. assessing and recommending for the Board's approval candidates to fill in positions for the Group's Key Officers;
- 5.1.6. being informed of the selection of Senior Management personnel, other than Key Officers, as approved by the Group Managing Director;
- 5.1.7. assessing annually the performance and effectiveness of the Board, Board Committees, individual Directors including the independence of Independent Directors, and Senior Management, including an assessment of the training needs of the Directors and Senior Management;
- 5.1.8. facilitating induction programmes for newly appointed Directors and the continuing education programmes for existing Directors;
- 5.1.9. reviewing the training programmes for Senior Management; and
- 5.1.10. reviewing the succession planning of the Board and Senior Management.

6. AUTHORITY

- 6.1. The NC shall have adequate resources and full and unrestricted access to any information of the Group in performing its duties.
- 6.2. The NC is also authorised by the Board to obtain external professional advice, if necessary, to discharge its responsibilities. This includes the use of professional recruitment firms for the sourcing of candidates for directorships.

7. PROCEDURES OF THE NC

7.1. Meeting Procedures

- 7.1.1. The NC shall meet at least once a year.
- 7.1.2. The NC Chairman may call for a meeting of the NC at his/her discretion.
- 7.1.3. The quorum of a NC meeting shall be two (2) members.
- 7.1.4. The NC Chairman shall preside at all NC meetings. In the absence of the NC Chairman, a chairman shall be appointed from amongst the members present.
- 7.1.5. NC meetings shall be attended only by NC members while other individuals may be invited by the NC to attend sessions on relevant matters. The meeting chairman shall exercise the right to require invitees to leave the meeting where necessary.
- 7.1.6. Where unavoidable, in the absence of a meeting, circular resolutions may be used to pass resolutions provided that the proposed matters are

sufficiently supported and detailed to facilitate deliberation and informed decision-making.

7.1.7. Deliberations at a NC meeting shall be decided by a majority of votes of members present. The meeting chairman shall have a casting vote in case of an equality of votes.

7.1.8. The chairman of an NC meeting shall brief the Board Chairman on the outcome after each NC meeting, highlighting significant issues and the NC's recommendations.

7.1.9. Deliberation and resolutions of the NC shall be documented in minutes. The draft minutes shall be circulated promptly and tabled at the following meeting for NC confirmation and signing by the NC Chairman. NC meeting minutes shall be kept by the Company Secretary.

7.2. Nomination and Selection of Directors

7.2.1. In identifying candidates for appointment of directors, the NC shall consider independent sources, and not solely based on recommendations by the Directors, Management, or major shareholders. If no independent sources were used in identifying candidates, the NC shall explain why the existing sources suffice or why other sources were not used.

7.2.2. A description or specification for the directorship should be drafted and approved by the NC before identifying possible candidates. Candidates should be evaluated against this specification, amongst others.

7.2.3. The NC assesses the Directors and candidates for directorship based on amongst others, criteria established by the Board and the outcome of the annual assessments of the Directors.

7.2.4. Taking into consideration the recommendation of the NC, the Board may:

- (a) approve the appointment of new Director for filling in casual vacancy; or
- (b) recommend the re-election or re-appointment of Directors for shareholders' approval at General Meetings.

7.3. Recommendation of Key Officers

7.3.1. The NC assesses the candidates for the positions of Key Officers based on amongst others, criteria established by the Board and where relevant, the outcome of the annual assessments of the Key Officers.

7.3.2. The Board approves the appointment taking into consideration the recommendation of the NC.

7.4. Being informed of selection of other Senior Management personnel

7.4.1. The Group Managing Director shall have the power to appoint Senior Management personnel, apart from Key Officer. This includes appointing personnel as directors of the Group's subsidiaries.

- 7.4.2. The Group Managing Director shall inform the NC and the Board any changes to the Senior Management of the Group.

7.5. Assessment of the Board, Board Committees, Directors and Senior Management

- 7.5.1. The annual assessment shall be conducted via the following approach:
- (a) review of the Board's composition, having regard to the mix of skills, independence, and diversity;
 - (b) assessment on the effectiveness and performance of the Board as a whole by individual Directors;
 - (c) assessment on the effectiveness and performance of each Board Committee as a whole by their respective members;
 - (d) assessment on the term of office and performance of each member of the Audit and Risk Management Committee via self- and peer-assessment by the members;
 - (e) self-declaration of independent and review of term of office by Independent Directors;
 - (f) assessment on the performance of individual Directors via self- and peer-assessment by the Directors; and
 - (g) assessment on the performance of Senior Management (including Key Officers) by the Executive Directors to whom they report.
- 7.5.2. The assessment of the Board, Board Committees, individual Directors, and Senior Management (including Key Officers) shall consider the following:
- (a) whether the Board and Board Committees have discharged their responsibilities stipulated in the Board Charter or the Board Committees' terms of references;
 - (b) whether Board and Board Committee procedures are complied with;
 - (c) the effectiveness and quality of deliberation by the Board and Board Committees;
 - (d) whether the Directors and Senior Management demonstrated their discharge of duties and responsibilities;
 - (e) the qualities demonstrated by Directors and Senior Management, including their character, experience, competence, integrity, and time committed to the discharge of their duties and responsibilities, and whether they satisfy the KSSC Group Fit and Proper Policy;
 - (f) the performance of the Board, Board Committees, individual Directors and Senior Management, considering amongst others, the business targets (e.g. targets developed to monitor progress towards achieving company strategies) and performance in addressing key risks and sustainability risks and opportunities; and
 - (g) a review of whether the Board composition facilitates effective functioning of the Board, considering the tenure of Directors, size

and diversity of the Board, required skillsets, level of independence, conflicts of interests, and relevant checks and balance, amongst others.

- 7.5.3. The NC shall deliberate, and make recommendations to the Board, on:
- (a) the annual assessment outcome and action plans to be taken to improve the effectiveness of the Board, Board Committees, and Directors, and make relevant recommendation to the Board;
 - (b) how the annual assessment outcome has influenced Board composition or how Board composition can be improved to enable an effective Board.
- 7.5.4. The NC shall oversee the performance of the annual assessments and recommend to the Board the outcome together with the training needs and continuing education programmes of each Director and Senior Management personnel arising from the assessments. The Group Managing Director shall provide relevant recommendations pertaining to the training needs and continuing education programmes for Senior Management personnel.