



STRETCHING LIMITS • SINCE 1979

# **KOSSAN RUBBER INDUSTRIES BHD**

(Company No. 197901003918 (48166-W))

## **NOMINATING COMMITTEE TERMS OF REFERENCE**

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**1. COMPOSITION AND APPOINTMENT**

- 1.1 The Nominating Committee members shall be appointed by the Board from amongst its Directors and shall consist of not less than three (3) members.
- 1.2 The members of the Nominating Committee shall comprise exclusively of Non-Executive Directors, a majority of whom must be independent. In the event of any vacancy in the Nominating Committee resulting in the number of members being reduced to below three (3), the Board shall appoint such number of new members to fill the vacancy within 3 months.

**2. CHAIRMAN**

- 2.1 The Chairman of the Committee shall be elected from amongst the members who is an Independent Non-Executive Director or the Senior Independent Non-Executive Director.

The Chairman of the Committee shall report to the Board on any matter that should be brought to the Board's attention and provide recommendations of the Committee that require the Board's approval at the Board meeting.

**3. SECRETARY**

- 3.1 The Secretary of the Committee shall be the Company Secretary of the Company.
- 3.2 The Secretary shall prepare and circulate the minutes of the meetings of the Nominating Committee to all members of the Committee and table the same to the Board for notation.

**4. MEETINGS**

- 4.1 The Nominating Committee shall meet at least once a year for the dispatch of business, adjourn and otherwise regulate its meetings. The Chairman may call additional meetings at any time at his/her discretion.
- 4.2 The Secretary shall on the requisition of the members of the Committee give notice in writing of the meeting.
- 4.3 In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the meeting.

**5. TERM OF OFFICE**

- 5.1 The term of office of each committee member shall be reviewed at least once every three years by the Board of Directors to ensure the committee and its members have carried out their duties in accordance with the terms of reference.
- 5.2 An annual formal evaluation of the performance of all committee members should be undertaken by the Nominating Committee.

**6. CIRCULAR RESOLUTION**

A resolution in writing signed or approved by letter, telex, telefax or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as “Members’ Circular Resolutions” and shall be forwarded to the Secretary and shall be recorded by the Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more member.

**7. QUORUM**

The quorum for the Nominating Committee meeting shall be two (2) members.

**8. AUTHORITY**

The Nominating Committee is authorised by the Board to review and recommend any matters within its Terms of Reference with sufficient resources being provided at the expense of the Group in performing the following:

- 8.1 Has full and unrestricted access to the management of the Group, including information, records, properties and personnel;
- 8.2 Obtains independent professional advice or other advice where necessary to perform its duties; and
- 8.3 Obtains the services of the Company Secretary to ensure that all decisions made are properly recorded and minuted.

## **9. FUNCTIONS AND DUTIES**

The functions and duties of the Nominating Committee shall include the following:

- 9.1 To consider the board composition and the tenure of each director, in appointing or reappointing a board member.
- 9.2 To recommend to the Board Directors candidates for appointment as Director. The Committee would consider the following attributes of candidates:
  - i. skills, knowledge, expertise and experience;
  - ii. professionalism;
  - iii. integrity;
  - iv. time and commitment;
  - v. in the case of the candidates for the position of Independent Non-Executive Directors, evaluate the candidates' ability to discharge such responsibility and functions as expected of Independent Non-Executive Directors.
- 9.3 To recommend to the Board of Directors the nominees to fill any vacancy on the committees of the Board.
- 9.4 To assess the effectiveness of the Board of Directors and the various Board committees as a whole and of each individual Director.
- 9.5 To ensure that orientation and education programmes are provided for new members of the Board and to review the Directors' continuing education programmes for existing members of the Board.
- 9.6 To establish a formal policy on Boardroom diversity.
- 9.7 To review and ensure that an appropriate succession planning framework is in place, including the Chairman of the Board, Directors, Managing Director/Chief Executive Officer and senior management.
- 9.8 To ensure duties of all Board Committees are fulfilled according to their terms of reference.
- 9.9 Annually review the required mix of skills, experience and other qualities, including core competencies which Non-Executive and Executive Directors should have.
- 9.10 Recommend to the Board action plan for improvement on areas identified in the Board effectiveness evaluation, where applicable.

- 9.11 Assess on an annual basis the independence of the Independent Directors of the Board and to determine whether the Directors are independent of management and free of any business or other relationship that could materially interfere with their independent judgment.
- 9.12 Assess on an annual basis the tenure of an Independent Director does not exceed a cumulative term of nine years. Upon completion of the nine years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director.
- 9.13 Consider the retention of the Independent Director who has served the Board for a cumulative period of more than nine (9) years subject to justification by the Board and approval of shareholders.
- 9.14 To consider and examine such other matters as the Committee considers appropriate.

## **10. REVIEW OF THE TERMS OF REFERENCE**

The Nominating Committee shall review and assess the adequacy of this Terms of Reference on an annual basis or as and when necessary. Any proposed changes to the Terms of Reference shall be approved by the Board.