



KUB MALAYSIA BERHAD
(Company No. 6022-D)

TERMS OF REFERENCE OF THE BOARD NOMINATION COMMITTEE

Approved as at 28 August 2019

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DEFINITIONS AND INTERPRETATION

Where the context so admits the following expressions shall have the following meanings :

'Act'	The Companies Act, 2016 and any amendments thereto;
'Board'	The Board of Directors of KUB Malaysia Berhad;
'Board Committees'	Committees set up as authorised by the Board with specific Terms of Reference and delegated authority;
'Bursa Malaysia'	Bursa Malaysia Securities Berhad;
'Committee' or 'BNC'	Board Nomination Committee;
'Company Secretary'	Company Secretary of KUB Malaysia Berhad;
'Director'	As defined in Section 2(1) of the Capital Market and Services Act 2007;
'Independent Director'	A director as defined in Chapter 1 of Bursa Malaysia Securities Berhad ('Bursa Malaysia') Main Market Listing Requirements;
'KUB' or 'Company'	KUB Malaysia Berhad (6022-D);
'KUB Group'	KUB Malaysia Berhad and its subsidiaries;
'Listing Requirements'	Bursa Malaysia Securities Berhad Main Market Listing Requirements, including any amendments made from time to time;
'Member'	A member of the Committee as appointed pursuant to this Terms of Reference;
'Secretary'	Secretary of the Committee; and
'Senior Management'	Individual(s) who holds high level management responsibility and decision-making authority within the company including the President/Group Managing Director, Executive Director, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and 'Officer' as defined in Chapter 1 of Bursa Malaysia Securities Berhad Main Market Listing Requirements of KUB Group.

1. OBJECTIVES OF THE COMMITTEE

The primary objectives of the Committee are as follows:

- 1.1. identify qualified individuals and recommend such individuals for appointment as Board Members, Committees Members and Senior Management.
- 1.2. conduct periodic evaluations for assessment of the effectiveness of the Board, Board Committees and Senior Management.

2. COMPOSITION OF THE COMMITTEE

- 2.1. The Committee shall comprise exclusively of Non-Executive Directors with a majority of them being Independent Directors.

Paragraph 15.08A(1)
Listing Requirements

The Committee shall consist not less than three (3) Members. Where the number of Members for any reason is reduced to less than three (3), the Board shall within three (3) months, appoint such number of new Members as may be required to make up the minimum number of three (3) Members.

- 2.2. All Members shall hold office only for so long as they serve as Directors of the Company.
- 2.3. The change of the Members of the Committee shall be decided by the Board.

3. CHAIRMAN OF THE COMMITTEE

- 3.1. The Board shall elect a Chairman from amongst the Committee Members.
- 3.2. At all meetings of the Committee, the Chairman, if present, shall preside. In the absence of the Chairman, the remaining Members present shall elect one of them to chair the meeting.

4. SECRETARY OF THE COMMITTEE

- 4.1. The Company Secretary or his/her representative shall be the Secretary of the Committee.
- 4.2. The Secretary shall have the following responsibilities :
 - 4.2.1. ensure all new Directors have been properly appointed in compliance with the Act, the Listing Requirements and other regulations. In carrying out his/her duty, the Company Secretary shall obtain the relevant information from the candidates prior to their appointments.

- 4.2.2. draw up the notice and meeting agenda in consultation with the Chairman for circulation, at least five (5) working days prior to each of the Committee meeting, to all Members and any person who may be required to attend the meeting.
- 4.2.3. ensure proceedings of meetings are minuted in a complete, accurate and timely manner. The minutes shall be confirmed and signed by the presiding Chairman at the next succeeding meeting after distribution to each member.
- 4.2.4. ensure the minutes are maintained and entered into the minutes file with the attendance sheet, which may be made available for notation by the Board.
- 4.2.5. ensure the minutes file is available for inspection by the Members, Board, external and internal auditors, management personnel and other persons deemed appropriate by the Company Secretary.

5. PROCEEDINGS OF THE COMMITTEE

5.1. Frequency of meeting

- 5.1.1. The Committee shall convene meetings as and when required, provided that the Committee shall meet at least once a year.
- 5.1.2. The Committee may invite any other director, senior management, employee and professional advisors to attend its meetings to assist the Committee in its deliberations.

5.2. Notice, agenda and despatch of paper

- 5.2.1. The Chairman or the Secretary on the requisition of the Members, shall at any time summon a meeting by giving due notice. It shall not be necessary to give notice of meeting to any Member for the time being absent from Malaysia.
- 5.2.2. Unless otherwise agreed by all Members, the notice, meeting agenda and relevant papers for the meeting shall be circulated to all Members and any person who may be required to attend the meeting at least five (5) working days prior to the convening of the meeting. Practice 1.5
MCCG 2017

5.3. Quorum for the meeting

- 5.3.1. No business shall be transacted at any meeting unless a quorum is present. Two (2) Members shall constitute a quorum.

5.4. Meeting via telecommunication device

- 5.4.1. A Member is deemed to be present at a meeting if he/she participates by instantaneous telecommunication device and all Members are able to hear each other and recognise each other's voice, and for this purpose, participation constitutes prima facie proof of presence. For the purpose of recording attendance, the Chairman or Secretary shall mark on the attendance sheet that the member is present and participates by instantaneous telecommunication device.
- 5.4.2. A Member may not leave the meeting by disconnecting his/her instantaneous telecommunication device unless he/she has previously obtained the consent of the Chairman of the meeting. A Member will be presumed to have been present and to have formed part of the quorum at all times during the meeting by instantaneous telecommunication device unless he/she has previously obtained the express consent of the Chairman of the meeting to leave the meeting.
- 5.4.3. Minutes of the proceedings by instantaneous telecommunication device will be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as correct by the Chairman of the meeting.

5.5. Decision, Resolution and Recommendation

- 5.5.1. Any decision at the meeting shall be decided by a majority of votes, each Member having one (1) vote and a determination by a majority of Members shall for all purposes be deemed a determination of the Members. In case of an equality of votes the Chairman of the meeting shall have a casting vote.
- 5.5.2. Any resolution in writing, signed or assented to by the majority Members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held, and may consist of several documents each signed by one or more Members of the Committee.
- 5.5.3. All recommendations and findings of the Committee shall be submitted to the Board for approval.

6. ROLES AND RESPONSIBILITIES OF THE COMMITTEE

6.1 The Committee is responsible for the selections and assessments of Directors and Senior Management and to make recommendations to the Board with respect to the following (amongst others) :

- (a) Composition of the Board, Board Committees and all directorship in KUB Group
 - i. Review the structure, size and composition (including the skills, knowledge, experience and diversity) and recommend to the Board with regard to any proposed change.
 - ii. Develop, review and recommend to the Board the policy on Board composition, having regards to the mix of skills, knowledge, experience, expertise, independence, diversity and other qualities deemed necessary.
 - iii. Keep under Paragraph 15.08A(3)(a)
Listing Requirements review the leadership needs of the organisation, both Executive and Non-Executive Directors, with a view to ensuring the continued ability to compete effectively in the marketplace.
 - iv. To facilitate achievement of the Board gender diversity policies and targets.
- (b) Employment Contracts
 - i. Review and recommend to the Board the appointment of any Senior Management within KUB Group. Paragraph 2.20A
Listing Requirements
 - ii. Review and recommend to the Board any change in the position of the Senior Management.
 - iii. Review and recommend to the Board the extension of contracts of the Senior Management; and
 - iv. Review and recommend to the Board any matter relating to the continuation in office including the suspension or termination of service of the Senior Management subject to the provision of the laws and their contracts of employment.

- (c) Appointment/re-appointment/re-election
- i. Develop, maintain and periodic review of the criteria to be used in the appointment of the Board, Board Committees, all directorships in KUB Group and the Senior Management. Paragraph 2.20A and 15.08 Listing Requirements
 - ii. Responsible for the identification, nomination, selection and appointment of new Board Members, Committee Members and Senior Management for approval of the Board.
 - iii. Assess the Director(s) who is subject to re-appointment/re-election at Annual General Meeting before recommendation to the Board and shareholders.
- (d) The evaluation of the performance of the Board, Board Committees and individual Director :
- i. Establish suitable process for evaluation of performance of the Board, Board Committees and individual Director.
 - ii. Carry out an annual assessment of the effectiveness of the Board, Committees and individual Director. Practice 5.1 of MCG 2017
 - iii. Develop criteria and oversee annual assessment of the Board, Board Committees and individual Director with the appropriate criteria inclusive but not limited to skills, experience, qualification, integrity, competence and time to effectively discharge his/her role. Paragraph 15.08A(3)(c) Listing Requirements & Practice 4.4 of MCG 2017
 - iv. Evaluate the mix of skills, knowledge and experience on the Board and to prepare a description of the role and responsibilities required for a particular appointment of Director (if necessary).
 - v. Review annually the term of office and performance of the Audit Committee and its members. Paragraph 15.20 Listing Requirements
 - vi. Review the time required from Non-Executive Directors.
 - vii. All assessments and evaluations carried out by the Committee in the discharge of its functions under Clause 6.1(d) should be properly documented.
- (e) Succession planning, induction and continuing development programme for the Board Members, Committee Members and Senior Management.

- i. 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 required.
 - ii. Facilitate induction programme and training for any new Director.
 - iii. Continuously evaluate and determine the training needs of the Directors and recommend suitable orientation, education and training programme with the latest development in the industry. Paragraph 15.08A(2)
Listing Requirements
- (f) Periodically review and develop criteria to assess the independence of Directors. Such assessment will be conducted by the Board. Practice 5.1 of
MCCG 2017
- (g) Disclose in the annual report its activities, the process used for appointments, membership of the Committee, number of Committee meetings and attendance of members over the course of the year. Paragraph 15.08A(3)
Listing Requirements
- (h) Consider any other matter referred to the Committee by the Board or required by regulatory authorities.

7. PERFORMANCE

- 7.1 The Board shall evaluate the Committee's performance annually and the extent to which the Committee has met the requirements of its Terms of Reference. The performance assessment may constitute a part of the annual Board Effectiveness Assessment, pertaining to the assessment of Board Committee. Paragraph 15.08A(3)(c) Listing
Requirements & Practice 5.1
MCCG 2017

8. AUTHORITY

- 8.1. The Committee is authorised by the Board to review, recommend and approve any matter within its Terms of Reference. The Committee shall have :
- 8.1.1. Full and unrestricted access to any information pertaining to the Company and the Group;
 - 8.1.2. Full access to the advice and services of the Company Secretary;
 - 8.1.3. Full access to independent professional advice and management assistance in discharging its duties where necessary;
 - 8.1.4. Full and unrestricted access to any employee; and
 - 8.1.5. The resources required to perform its duties.

8.2. The Committee shall be bound by the provision of all applicable laws, regulations and guidelines in the discharge of its duties.

9. DISCLOSURE

9.1. The Committee shall assist the Board to ensure that certain disclosures on the activities of the Committee reflected in the Corporate Governance Overview Statement and Corporate Governance Report in the Annual Report are in accordance with the Listing Requirements.

10. REVISION OF THE TERMS OF REFERENCE

10.1. Any proposed revision to the Terms of Reference shall be tabled to the Board for its approval.

10.2. Upon approval of the Board, the said revision or amendment shall form part of this Terms of Reference.

Approved by	:	Board 28 August 2019
Recommended by	:	Board Nomination Committee 28 August 2019