

APPENDIX 5

**NOMINATION COMMITTEE ("NC")**

**25 November 2009**

**TERMS OF REFERENCE**

**i. Composition**

The NC shall be headed by a non-executive Chairman and its members shall comprise exclusively of non-executive directors, a majority of whom are independent.

**ii. Quorum of Meetings**

A minimum of two (2) NC Members present in person shall constitute the quorum.

**iii. Majority Decision**

All decisions of the NC shall be decided on the votes of the simple majority of those Members present. However, in the event there are only 2 members present in a meeting, both members must be in agreement to effect any decision.

Any decision or recommendation made at the NC shall be subject to the review and ultimate approval of the Company's Board of Directors.

**iv. Casting Vote**

In the event there be an equality of votes, then the Chairman of the meeting shall have a casting vote.

**v. Frequency of Meetings**

The Committee shall meet at least annual or at such other frequency as the Chairman may determine.

**vi. Notice of Meetings**

Minimum seven (7) days or such shorter notice as the NC may deem fit depending on the nature and prevailing circumstances at hand.

**vii. Secretary**

The Company's Company Secretary(s) shall be the Secretary(s) for the NC. In the event any of the Company Secretary(s) is unable to attend, an assistant or deputy Secretary(s) may be appointed for that specific meeting.

**viii. Minutes of Meeting**

The Secretary (which expression shall include the assistant or deputy Secretary appointed under item (vii)) shall table the minutes of each NC Meeting and shall circulate the same for each Member's record. The Chairman's confirmation of the Minutes shall be taken as a correct proceedings thereat.

The Chairman shall report on each meeting to the Board.

## **NOMINATION COMMITTEE ("NC")**

### **TERMS OF REFERENCE (con't)**

#### **ix. Functions of the NC**

Without prejudice to the generality of the foregoing, the NC shall:-

- a. Determine the core competencies and skills required of board members to best serve the business and operations of the Group as a whole and the optimum size of the Board to reflect the desired skills and competencies;
- b. Review the size of Non-Executive participation, Board balance and determine if additional Board members are required and also to ensure that at least 1/3 of the Board is independent;
- c. Recommend to the Board on the appropriate number of Directors to compose the Board which should fairly reflect the investments of the minority shareholders in the Company, and whether the current Board representation satisfies this requirement; \*
- d. Recommend to the Board, candidates for directorships to be filled by the shareholders or the Board;
- e. Consider in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any Director or shareholder;
- f. Recommend to the Board, Directors to fill the seats on Board Committees;
- g. Undertake an annual review of the required mix of skills and experience and other qualities of Directors, including core competencies which Non-Executive Directors should bring to the Board and to disclose this forthwith in every Annual Report;
- h. Assist the Board to introduce criteria and to formulate and implement a procedure to be carried out by the NC annually for assessing the effectiveness of the Board as a whole, the Board Committees and for assessing the contributions of each individual Director;
- i. Introduce any regulation which would enable the smooth administration and effective discharge of the Committee's duties and responsibilities;
- j. To furnish a report to the Board of any findings of the Committee;

## NOMINATION COMMITTEE ("NC")

### TERMS OF REFERENCE (con't)

- k. To recommend to the Board for continuation or discontinuation in service of directors as an Executive Director or Non-Executive Director;
  - l. To recommend Directors who are retiring by rotation to be put forward for re-election;
  - m. To recommend to the Board the employment of the services of such advisers as it deems necessary to fulfill the Board's responsibilities; and
  - n. Generally, to decide and implement such other matters as may be delegated by the Company's Board of Directors from time to time.
- x. **Variation**  
The above Terms and Reference may be determined and/or varied by the Company's Board of Directors at any time and from time to time.

\* During the Board meeting held on 30 July 2001, the Board agreed that any investor holding an investment of 10% or more in Kotra's paid up capital is entitled to one board seat. In principle, the number of Board seats is to be determined by the size of the investment in Kotra, in multiples of 10%. For example, an investor holding 20% of Kotra's paid up capital should be entitled to 2 board seats. In cases of related entities or persons having investments in Kotra, the Board will consider the total investments of these entities or persons in deciding the appropriateness of inviting a nominee or representative from this group of entities or persons. However, the Board also highlighted that it will foremost consider the interest of the Group before making any invitation. For example, the Board will not offer a substantial shareholder a place on the Board if the Board has reason to believe that that substantial shareholder is a competitor or associated with a competitor of Kotra.