

KOTRA INDUSTRIES BERHAD

(Company No. 497632-P)

(Incorporated in Malaysia)

TERMS OF REFERENCE OF NOMINATION COMMITTEE

1. Objectives

The principal objective of the Nomination Committee (“NC” or “Committee”) is to assist the Board of Directors (“Board”) in the selection and assessment of Board, Board Committees and individual Directors. The decision as to who shall be nominated remained as the responsibility of the full Board.

The role of the NC is to ensure that the Board comprises Directors with an appropriate mix of skills and experience, as well as diversity in terms of age, gender, ethnicity, a proper balance between Executive and Non-Executive Directors.

2. Composition of members

The Board shall elect the NC members from amongst themselves and shall not be less than three (3) members, comprising exclusively Non-Executive Directors, a majority of whom shall be independent.

3. Chairman

The Chairman of the NC shall be elected from amongst the NC members and shall be an Independent Non-Executive Director.

In the absence of the Chairman, the other Independent Director shall be the Chairman for that meeting.

4. Meetings

4.1 The Committee shall meet at least annually or at such frequency as deemed necessary. The Chairman may call for additional meetings at any time at his discretion.

4.2 Other members of the Board and Management may attend meetings upon invitation from the NC.

4.3 The Committee members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

4.4 All decisions of the NC shall be decided on the votes of simple majority of those Members present. Any decision or recommendation made at the NC shall be subject to the review and ultimate approval of the Board.

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5. **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.

6. **Quorum**

A quorum shall consist of two (2) members, one of whom shall be an independent director.

7. **Minutes**

Minutes of each meeting shall be kept at the registered office and the Secretary (which expression shall include the assistant of the Secretary) shall distribute the minutes of each NC Meeting to all members of the Committee as well as the member of the Board for notation. The minutes of the NC meeting shall be signed by the Chairman of the said meeting or by the Chairman of the next succeeding meeting. The Chairman's confirmation of the Minutes shall be taken as a correct proceeding thereat.

The Chairman shall report on each meeting to the Board.

8. **Secretary**

The Secretary of the NC shall be the Company Secretary. In the event any of the Company Secretary(s) is unable to attend, their assistants may be appointed for the specific meeting.

9. **Duties and Responsibilities**

The duties and responsibilities of the NC are as follow:-

9.1 Appointments

- a. To consider and recommend to the Board, candidates for any directorships proposed to be filled by the shareholders, the Board or other sources such as independent recruitment firms, taking into consideration the following criteria:

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- Required skills, knowledge, expertise and experience required;
 - Time commitment, character, professionalism and integrity;
 - Number of directorships in the companies outside the group; and
 - Specialist knowledge or technical skill.
- b. To 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. To recommend to the Board on the appropriate size of the Board that should fairly reflect the investments of the minority shareholders in the Company, and whether the current Board representation satisfies this requirement.
- d. To assess on an annual basis, appointment and re-appointment of Independent Director as provided in Bursa Malaysia Securities Berhad's Main Market Listing Requirements. The tenure of an Independent Director should not exceed a cumulative term of nine (9) years.
- e. To consider in making its recommendations, candidates for directorships proposed by the Chief Executive Office and, within the bounds of practicability, by any other senior executive or any Director or shareholder.
- f. To recommend to the Board, the nominees to fill the seats on Board Committees.
- g. To recommend to the Board the employment of the services of such advisers as it deems necessary to fulfill the Board's responsibilities.

9.2 Retirement and Re-election

- a. Ensure every Director is subject to retirement at least once in every three (3) years. A retiring Director is eligible for re-election.
- b. Recommend to the Board, candidates for re-election of Directors, to be approved by shareholders, pursuant to the Company's Constitution.

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- c. Consider and recommend the Independent Directors who have served beyond nine (9) years for continuation in office, taking into consideration their performance and ability to continue and contribute to the Board.

9.3 Annual Performance Assessment

- a. To review annually, the structure, size and composition of the Board, including the skill, knowledge, experience and diversity of the Board and core competencies which Non-Executive Directors should bring to the Board.
- b. To assess annually, the effectiveness of the Board as a whole and each Director individually based on the criteria for performance evaluation, independence of each of the Independent Non-Executive Directors to ensure he/she is continually independent in order to provide appropriate scrutiny and impartial judgement, as well as the effectiveness of the various Committees of the Board and review the results of the performance evaluation thereafter.
- c. To review annually, the terms of office, competency and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.
- d. To conduct Board evaluation which is periodically facilitated by a professional, experienced and independent party, if required.

9.4 Succession Planning

- a. To give consideration to succession planning for Directors and Senior Management , taking into account the challenge and opportunities facing the Company and its subsidiaries (“**Group**”) and the skills and expertise needed on the Board and Senior Management in the future.
- b. To review leadership needs of the Group, both executives and non- executives, with the view to ensuring the continued ability of the Group to compete effectively in the market place.

9.5 Others

- a. To introduce any regulation which enable the smooth administration and effective discharge of the Committee’s duties and responsibilities.
- b. To stay abreast with the strategic issues and commercial changes affecting the Group and the market in which it operates.

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- c. To decide and implement such other matters as may be delegated by the Board from time to time.

10. **Reporting Responsibilities**

The Chairman of NC shall report on each meeting to the Board on the nature and extent of the functions performed by NC based on these Terms of Reference and may take such recommendations to the Board as it may think fit.

11. **Review of the Terms of Reference**

The Committee shall recommend any changes to its terms of reference to fulfill such other requirements as prescribed by Bursa Malaysia Securities Berhad and/or to align the NC with recommended best practices and proper corporate governance as the NC deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated as and when necessary, not more than three (3) years.