

KAWAN FOOD BERHAD
(Company No. 640445-V)

NOMINATION COMMITTEE
(TERMS OF REFERENCE)

1. *COMPOSITION*

The Board of Directors shall elect the Committee members from amongst themselves, comprising exclusively of Non-Executive Directors, a majority of whom are Independent Directors and the number shall not less than two (2) members. The appointment of a Committee member terminates when the member ceases to be a Director, or as determined by the Board.

2. *QUORUM*

The quorum for each meeting shall be two (2) members, present in person, a majority of whom must be Independent Directors.

3. *CHAIRMAN*

The members of the Nomination Committee shall elect a chairman from among their number who shall be an independent director. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst themselves.

4. *MEETINGS*

The meetings shall be held not less than two (2) times a year. A member may at any time and the secretary shall on the requisition of a director summon a meeting of the Nomination Committee.

Question arising at any meeting of Nomination Committee shall be decided by a majority of votes and a determination by a majority of members shall for all purposes be deemed a determination of the Nomination Committee.

In the case of an equality of votes the Chairman of the meeting shall have a second or casting vote PROVIDED THAT where two (2) members form a quorum, the Chairman of the meeting at which only such a quorum is present, or at which only two members competent to vote on the question at issue, shall not have a casting vote.

A resolution in writing, signed by all the members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened

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and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.

The Company Secretary or his/her representative or other appropriate senior officer shall act as secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to committee members five (5) Business day prior to each meeting.

The Company Secretary or his/her representative or other appropriate senior officer shall also be in attendance at each Committee meetings and responsible for keeping the minutes of meetings of the Committee, and circulating them to committee members within one (1) month period prior to the meeting and to the other members of the Board of Directors.

5. *ADVISERS*

The Committee is authorised by the Board to seek appropriate professional advice inside and outside the Group at the Company's expense, as and when it considers this necessary in the discharge of its responsibilities.

6. *OBJECTIVES AND RESPONSIBILITIES*

The primary objective of the Nomination Committee is act as a committee of the full Board to assist in discharging the Board's responsibilities:-

- (a) To ensure that the Company recruits, retains, trains and develops suitably qualified executive and non-executive directors and manages board renewal and succession effectively.
- (b) To understand the interactions among the Directors from their varied backgrounds which can have an impact on decision-making and outcomes.
- (c) To build the right board structure and develop an effective functioning group, rather than a group of independently operating individuals or a group of collegial friends.

The Nomination Committee shall have the following responsibilities:-

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- (a) Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board;
- (b) Assess and Recommend to the Board, candidates for Board, Board Committees and all directorships as well as Group Chief Executive Officer (“Group CEO”) and to review the nomination and selection of Board Members. In making the recommendations, the Committee should seek professional advice from independent search firms, if necessary:
 - a. skills, knowledge, expertise and experience;
 - b. commitment (including time commitment) to effectively discharge his/her role as a Director;
 - c. professionalism;
 - d. boardroom diversity including gender, age, professional background and experience diversity;
 - e. character, integrity, commitment (including time commitment) and competence; and
 - f. in the case of candidates for the position of Independent Non-Executive Directors, the Committee shall also evaluate the candidates’ ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors;
- (c) Make recommendations to the Board for the appointment of the Chairman, Group CEO and Senior Independent Director, including an assessment of the time commitment expected and recognising the need for availability in the event of crises;
- (d) develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors. The nomination and the election process should be disclosed in the Annual Report;
- (e) review the Board’s succession plans;
- (f) assess annually the independence of its independent directors. This activity shall be disclosed in the Annual Report of the Company and in any notice of a general meeting for the appointment and re-appointment of independent directors;
- (g) recommend to the Board the Company’s gender, age, experience and ethnicity diversity policies, targets and discuss measures to be taken to meet those targets;
- (h) recommend to the Board protocol for accepting new directorships;

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- (i) review, at least once a year, its own performance, constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;
- (j) Recommend to the Board, directors to fill seats on Board Committees;
- (k) Review annually the required mix of skills, experience and other qualities of the Board, including core competencies which Non-Executive Directors should bring to the Board. This Activity shall be disclosed in the Annual Report;
- (l) assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director including his time commitment, character, experience and integrity. All assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented and disclosed to the Annual Report;
- (m) assess annually the effectiveness and performance of the Executive Directors;
- (n) assess the training needs of each Director, review the fulfilment of such training, and disclose details in the Annual Report as appropriate;
- (o) consider the size of the Board with a view to determine the impact of the number upon the Board's effectiveness and recommend it to the Board;
- (p) review the character, experience, integrity, competence and time to effectively discharge the roles of chief executive and chief financial officer*;
- (q) facilitate Board induction programme for newly appointed Directors;
- (r) consider and recommend the Directors for re-election/re-appointment at each Annual General Meeting;
- (s) report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities as well as on any matter that should be brought to the Board's attention and provide recommendation of the Committee that require the Board's approval at the Board meeting; and
- (t) assess annually the term of office and performance of the audit committee and each of its members to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.

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7. *APPOINTMENT/RE-APPOINTMENT/RE-ELECTION PROCESS*

- (a) develop and review criteria used in the appointment/recruitment of Board members, Committee members and all Directorships in the Group, Group CEO and recommend to the Board for approval;
- (b) assist the Board to identifying a Senior Independent Non-Executive Director;
- (c) assist the Board in assessing Senior Independent Non-Executive Director, Board Committees including the Chairman and all directorships within the Group. The Committee shall consider the prospective Director's character, experience, skills, expertise, core competencies, integrity and time commitment, number of directorships and external obligations;
- (d) The Company should disclose in its annual report how candidates for Non-Executive Director positions were sourced including whether such candidates were recommended by the existing board members, management or major shareholders. If the selection of candidates was solely based on recommendations made by the existing board members, management or major shareholders, the Committee should explain why other sources were not used;
- (e) All the candidates are interviewed by at least two (2) members of the Committee whose evaluations will be circulated to all the members of Nomination Committee. A target appointment date is then fixed; and
- (f) The written consent of the nominees to act if elected shall be secured.

8. *PERIODIC REVIEW*

These Terms of Reference shall be reviewed from time to time or as deemed necessary by the Nomination Committee.

9. *REVISION OF THE TERMS OF REFERENCE*

- Any revision or amendment to these Terms of Reference, as proposed by the Nomination Committee or any third party, shall first be presented to the Board for its approval.

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- Upon the Board's approval, the said revision or amendment shall form part of these Terms of Reference and these Terms of Reference shall be considered duly revised or amended.

10. *APPROVAL*

These Terms of Reference is reviewed and approved by the Board of Directors on 27 February 2018.

**Definition of:-*

Chief executive - means the principal executive officer of the corporation for the time being, by whatever name called, and whether or not he is a director.

Chief financial officer - means the person primarily responsible for the management of the financial affairs of the corporation (such as record keeping, financial planning and financial reporting), by whatever name called