

Lien Hoe Corporation Berhad (Company No. 8507-X)

Terms of Reference of Nomination Committee

Composition

The Nomination Committee shall comprise exclusively of non-executive directors, a majority of whom must be independent. The Nomination Committee shall be chaired by an independent director or senior independent director identified by the Board of Directors (“the Board”).

Responsibilities of the Nomination Committee

The Nomination Committee assumes the following responsibilities:-

- i. to recommend to the Board new candidate(s) for appointment and to recommend to the Board re-appointment/re-election of directors and to take steps to ensure that women candidates are sought as part of its recruitment exercise, as guided by the Company’ Gender Diversity Policy. In making a recommendation to the Board on the candidate(s) for directorship, the Nomination Committee should consider the skills, knowledge, expertise, experience, professionalism and integrity of the candidate(s). In the case of candidates for the position of independent non-executive directors, the Nomination Committee shall also evaluate the candidates’ ability to discharge such responsibilities or functions as expected from independent non-executive directors;
- ii. to conduct annual assessment on Board, Board Committees and individual directors and annually review, or as required, the correct mix of skills, business and professional experiences that should be added to the Board;
- iii. to appraise each individual Director in terms of his experience, knowledge, credibility and credential, and assess their effectiveness and contribution in carrying out their obligations and duties as a Board member;
- iv. to examine the ability of each Director in contributing to the effective decision making process of the Board and ensure that the Board and Board Committees are functioning actively, efficiently and effectively in all its decision making;
- v. to review, when necessary, the criteria to assess independence of the independent directors of the company;
- v. to assess the effectiveness of the Board as a whole and the Committees of the Board;
- vi. to annually review the term of office and performance of the Audit Committee;
- vii. to review the Board’s succession plans;
- viii. to ensure orientation and educational programmes are provided for new members of the Board, and to review the directors’ continuing education programmes; and
- ix. to carry out such other functions or assignments as may be delegated by the Board from time to time within the scope of the Nomination Committee.

Chairman

The Chairman shall:-

- i. lead the succession planning and appointment of board members, including the future Chairman and Managing Director and/or Chief Executive Director; and
- ii. lead the annual review of board effectiveness, ensuring that the performance of each individual director is independently assessed.

The nomination and election process of new Board member(s) are as follows:-

- i. review annual Board assessment and evaluation;
- ii. determine required mix of skills and experience of the current Board;
- iii. source for suitable candidate(s), and to utilise independent sources to identify suitable candidate(s), if necessary;
- iv. evaluate and match the criteria of the candidate(s); and
- v. recommend the candidate(s) to the Board for appointment.

Meetings

The Nomination Committee shall meet as and when is necessary. The meetings and proceedings of the Nomination Committee are governed by the provisions of the Company's Constitution.

Secretaries

The Company Secretaries shall be the Secretaries of the Nomination Committee and, with the concurrence of the Chairman, to draw up and circulate the notice of meeting inclusive agenda prior to a meeting.

Circular Resolution

A resolution in writing, signed by a majority of the Nomination Committee members present in Malaysia for the time being entitled to receive notice of a meeting of the Nomination Committee, shall be as valid and effectual as if it had been passed at a meeting of the Nomination Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more of the members of the Nomination Committee.

This Terms of Reference is revised, approved and adopted by the Board on 30 March 2018.

The Terms of Reference of the Nomination Committee is also available for reference in the Company's website at www.lienhoe.com.my