



NOMINATION COMMITTEE - TERMS OF REFERENCE

1. Objectives

- 1.1 The Nomination Committee (“NC”) is established to assist the Board of Directors (“the Board”) of Rhong Khen International Berhad (Formerly known as Latitude Tree Holdings Berhad) (“the Company”) in the following areas:
- (a) To review on an annual basis the appropriate size and balance of the Board, including appropriateness of non-executive participation.
 - (b) To review the required mix of skills, experience, knowledge and responsibilities of the Directors of the Board.
 - (c) To recommend members for appointments to the Board and Board Committees and to ensure appropriate assessment of Directors on an ongoing basis.
 - (d) To ensure there is sufficient succession planning and human capital development focus in the Company and its subsidiaries (“the Group”).

2. Composition and Appointment

- 2.1 The NC members shall be appointed by the Board from amongst their number and shall consist of not less than two (2) members, all of whom shall be Non-Executive Directors, and a majority of whom shall be Independent Directors.
- 2.2 No alternate Director shall be appointed as a member of the NC.
- 2.3 The Board Chairman shall not be the NC Chairman. The NC Chairman shall be a Senior Independent Non-Executive Director or an Independent Non-Executive Director appointed by the Board. The responsibilities of the NC Chairman, among others, are as follows:
- (a) Planning and conducting meetings;
 - (b) Overseeing the reporting to the Board;
 - (c) Encouraging open discussion during meetings;
 - (d) Developing and maintaining active on-going dialogue with Management and Human Resources (“HR”);
 - (e) Lead a succession planning and appointment of Directors, and oversee the development of a diverse pipeline for Board and Management succession, including the future Chairman, Executive Director (“ED”) and Managing Director (“MD”); and
 - (f) Lead the annual review of Board effectiveness, ensuring the performance of each individual Director, Board Committees and Chairman of the Board are independently assessed.
- 2.4 The NC members may relinquish their membership in the NC with prior written notice to the NC Chairman and Company Secretary. In the event of any vacancy arising in the NC resulting in the number of members of the NC falling below two (2), the vacancy shall be filled as soon as possible, but not later than three (3) months from any arising



vacancy.

3. Authority

3.1 The NC is authorised by the Board and at the expense of the Group to perform the following:

- (a) Secure the resources in order to perform its duties as set out in its terms of reference;
- (b) Have full and unrestricted access to all information including without limitation, its information, records, properties and personnel to enable the NC to discharge its duties effectively;
- (c) The NC may request other Directors, key Senior Management, General Managers, counsels, consultants as applicable to participate in the NC meetings, as necessary, to carry out its responsibilities;
- (c) Engage external consultants and other advisers or otherwise obtain such independent legal or other professional services it requires, at the expense of the Company or obtain the assistance of Management where necessary; and
- (d) Provide its recommendations to the Board for its consideration and approval.

4. Functions and Duties

4.1 The main functions and duties of the NC shall include, but are not limited to the following:

(a) Assessment of Board Composition

- (i) Establish a policy formalising the Group's approach to Boardroom diversity (including diversity in gender, nationality, age, culture, socio-economic background, skills, experience and independence).
- (ii) Annually evaluate, review and recommend to the Board the appropriate size of the Board, required mix of skills, experience and other qualities, including core competencies which Non-Executive Directors shall bring to the Board to ensure that they are in line with the Company's and the Group's requirements.
- (iii) Periodically review the term of office, and terms of reference of all Board Committees, assisted by the Company Secretary.

(b) Appointments

- (i) Consider and recommend to the Board the selection criteria for new appointment as Directors of the Company which may include:
 - Required skills, knowledge, expertise and experience;
 - Time commitment, character, professionalism and integrity;
 - Ability to work cohesively with other members of the Board;
 - Specialist knowledge or technical skills in line with the Group's strategy;
 - Diversity in age, gender and experience/background; and
 - Number of directorships in companies outside the Group.



RHONG KHEN INTERNATIONAL BERHAD
(Formerly known as Latitude Tree Holdings Berhad)

A Directors' Fit and Proper Policy has been established to guide the NC in the review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking election or re-election.

The NC shall also consider and recommend to the Board the composition of the Board which must comprise a majority of Independent Directors.

- (ii) Consider the need to appoint a Senior Independent Non-Executive Director, and if deemed appropriate, recommend to the Board for approval. In considering the candidate for the position of a Senior Independent Non-Executive Director, the NC shall assess the required knowledge and other qualities necessary for the effective discharge of his/her responsibilities.
- (iii) Identify, consider and recommend suitable persons for appointment as Directors of the Company and members of the Board Committees, relying on sources from existing Board members, Management, major shareholders, independent search firms and other independent sources.
- (vi) Disclose in the Company's 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 and if the selection of candidates was solely based on recommendations made by existing Board members, Management or major shareholders, the NC should explain why other sources were not used.
- (v) Appointment of Key Senior Management Positions:
 - Review and recommend to the Board the appointment, evaluation, resignation, disciplinary actions and termination of the ED and/or MD positions.
 - Review and if deemed appropriate, endorse for the Board's approval, the recommendations of the ED and/or MD on the appointment, evaluation, promotion, resignation, disciplinary actions and termination of the key Senior Management positions of the Company and the Group.
 - Ensure that appointments of key Senior Management positions are in accordance with the Appointment and Remuneration of Senior Management of the Policies Governing the Board of Directors.

(c) Retirement and Re-election

- (i) Ensure that every Director, including the Executive Directors, shall be subject to retirement at least once every three (3) years. A retiring Director shall be eligible for re-election.
- (ii) The tenure of an Independent Non-Executive Director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) year period, an Independent Director may continue to serve on the Board subject to the Director's re-designation as Non-Independent Director. If the Board intends to retain an Independent Director beyond nine (9) years, it should be subjected to the following:
 - annual assessment by the NC, regarding the independence and contributions; and
 - annual shareholders' approval through two-tier voting process in a



RHONG KHEN INTERNATIONAL BERHAD
(Formerly known as Latitude Tree Holdings Berhad)

general meeting, where the Board provides strong justification on the recommendation in the explanatory notes to the resolution in the notice of a general meeting.

(d) Succession Planning

- (i) The Executive Directors shall assist the NC in ensuring that an appropriate succession planning framework, talent management and human capital development programme is in place for the positions of ED, MD and key Senior Management. The NC shall be apprised of the progress of the programme on a regular basis, and at least once a year.
- (ii) Oversee succession planning for the Board Chairman and Directors.

(e) Annual Performance Assessment

- (i) Assist the Board in establishing procedures and processes towards an annual assessment of the effectiveness of the Board as a whole and each Board Committee (including its size and composition), as well as the contribution of each individual Director. The method/approach of the assessment and outcome of the evaluation shall be documented and disclosed in the annual report.
- (ii) Develop, maintain and review the criteria for evaluating the Board's, and Board Committees' and each individual Director's performance.
- (iii) The criteria used in the annual assessment should include the following:
 - will and ability to critically challenge and ask the right questions;
 - character and integrity in dealing with potential conflict of interest situations;
 - commitment to serve the Company, due diligence and integrity;
 - confidence to stand up for a point of view; and
 - contribution and performance, calibre and personality.
- (iv) Ensure that appropriate actions are taken based on the results of the annual assessments, to continuously enhance the Board's overall performance and identify opportunities for improvement.
- (v) Review the terms of office and performance of the Audit Committee ("AC") and each of its members annually to determine whether the AC and its members have carried out the duties in accordance with its terms of reference. The NC shall seek the views of the AC Chairman in its assessment of the performance of AC members, other than of the AC Chairman himself/herself.

(f) Training and Development

- (i) Recommend suitable orientation and training programmes to continuously train and equip new and existing Directors.
- (ii) Ensure a statement is made by the Board in the Annual Report of the Company, containing a brief description on the type of training attended by Directors during the financial year.



(g) Disclosure and Reporting

- (i) Ensure that a statement on its activities in the discharge of its nomination duties for the financial year is included in the Company's annual report.

5. Procedures for Appointment of Director(s)

- 5.1 Refer "Selection and Appointment Process for New Directors" in the Policies Governing the Board of Directors.

6. Meetings

6.1 Frequency

- 6.1.1 The NC shall meet as and when necessary and at such other time(s) as it deems necessary to fulfil its responsibilities.
- 6.1.2 Other members of the Board and Management may attend meetings upon the invitation of the NC.

6.2 Notice and Agenda

- 6.2.1 The Company Secretary shall issue and circulate the notice of the NC meetings confirming the venue, time and date at least seven (7) days before each meeting to the committee members and all those who are required to attend the meeting.
- 6.2.2 The agenda for each meeting including relevant documents and information requested by the NC shall be circulated at least seven (7) days before each meeting to the NC members and all those who are required to attend the meeting
- 6.2.3 The NC meeting agendas shall be the responsibility of the Chairman with input from the NC members, and assisted by the Company Secretary. Where necessary, the agenda shall include input from Management or other persons deemed appropriate to participate in this process.

6.3 Quorum

- 6.3.1 The quorum for a meeting of the NC shall be two (2) members, of whom shall be Independent Non-Executive Directors. In the absence of the Chairman, the members present shall elect a Chairman from amongst them to Chair the meeting.

6.4 Meeting Mode

- 6.4.1 A meeting of the NC shall normally be conducted face-to-face to enable effective discussion; however, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the NC.
- 6.4.2 The NC may from time to time and if deemed appropriate, consider and



RHONG KHEN INTERNATIONAL BERHAD
(Formerly known as Latitude Tree Holdings Berhad)

approve and/or recommend relevant matters via a Circular Resolution in writing, in lieu of formally convening a meeting. The Circular Resolution shall be as valid and effectual as if it has been passed by a meeting of the NC duly convened. Approval of the NC obtained by an NC Circular Resolution must be signed or approved by all NC members subject to 6.5.2.

6.5 Voting

6.5.1 All resolutions of the NC shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman shall have a second or casting vote.

6.5.2 An NC member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

6.3 Meeting Minutes

6.3.1 The minutes of the meeting shall be action oriented, and record the deliberations and decisions of the NC. Minutes shall include compiled Board instructions as Matters Arising for discussion at each NC meeting to ensure proper follow through.

6.3.2 Minutes shall be distributed to NC members and shall be approved by the Chairman of the meeting at which the proceedings are held or by the Chairman of the next succeeding meeting.

6.3.3 Copies of minutes of each meeting shall be distributed to all members of the Board.

6.3.4 The NC, through its Chairman, shall update the Board on the activities undertaken by the NC at each Board meeting.

6.3.5 Relevant members of Management shall be provided with the minutes and Matters Arising for follow up on key actions required.

6.4 Secretary

6.4.1 The Secretary to the NC shall be the Company Secretary.

6.4.2 The Secretary shall organise and provide assistance at NC meetings and have the following key responsibilities:

- ensure meetings are arranged and held accordingly;
- assist the Chairman in planning the NC's activities;
- draw up meeting agendas in consultation with the NC Chairman and maintain the minutes and draft its scheduled activities for the financial year;
- ensure structured communication channels between the Board and the NC;
- ensure proceedings of meetings are recorded and the minutes circulated in a timely manner, and reviewed by the NC before disseminating them to the Board; and
- ensure NC recommendations presented to the Board are supported by papers that explain the rationale for the NC's recommendations.



RHONG KHEN INTERNATIONAL BERHAD
(Formerly known as Latitude Tree Holdings Berhad)

7. Annual Performance Assessment

- 7.1 The NC shall perform a self-assessment annually to assess its effectiveness in carrying out the duties as set out in this terms of reference and report the results to the Board.
- 7.2 The Board shall review the composition, performance and effectiveness of the NC and each of its members annually to ensure that the NC has the right composition, and sufficient, recent and relevant skills and expertise to effectively fulfil their roles.
- 7.3 All such assessments shall be properly documented.

8. Review of the Terms of Reference

- 8.1 The NC shall recommend any change to its terms of reference in such manner as the NC deems appropriate to the Board for approval. The terms of reference shall be assessed, reviewed and updated where necessary i.e. when there are changes to the Malaysian Code on Corporate Governance, Listing Requirements of Bursa Malaysia Securities Berhad or any other regulatory requirements. It shall also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the NC's role.

This revised Terms of Reference was approved by the Board on 30 August 2022