

KRETAM HOLDINGS BERHAD
TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

The Terms of Reference of the Nomination Committee are as follows:-

CONSTITUTION

1. A Committee of the Board known as the Nomination Committee is hereby established in accordance with Bursa Malaysia Securities Berhad (formerly Kuala Lumpur Stock Exchange) Listing Requirements and the Malaysian Code on Corporate Governance.

MEMBERSHIP

2. The Nomination Committee shall consist not less than three (3) members. The members shall consist wholly of non-executive directors, the majority of whom are independent.
3. The members of the Committee shall select a Chairman from among their numbers who shall be an independent director.
4. If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below 3, the Board of Directors shall, within 3 months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members.
5. The terms of office of Committee members shall be reviewed by the Board no less than every 3 years.

NOMINATION COMMITTEE

6. The primary objectives of the Nomination Committee is to act as committee of the full Board to assist in discharging the Board's responsibilities, inter alia:
 - a) assessing the existing directors' ability to contribute to the effective decision making of the Board;
 - b) identifying, appointing and orientating new directors; and
 - c) identifying the mix of skills and experience and other qualities the Board requires for it to function completely and efficiently.

FUNCTIONS

7. The functions of the Committee shall be to:-
 - a) recommend to the Board, candidates for all directorship to be filled by the shareholders or the Board
 - b) consider in making its recommendations, candidates for directorship proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any director or shareholder
 - c) recommend to the Board, directors to fill the seats on Board Committees

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- d) assess the effectiveness of the committees of the Board
- e) assess the contribution of each individual director
- f) review and recommend to the Board the required mix of skills and experience and other qualities the Board requires for it to function completely and efficiently

together with such other functions as may be agreed to by the Nomination Committee and the Board of Directors.

ATTENDANCE AT MEETINGS

- 8. The quorum for meetings of the Nomination Committee shall be two with at least one member who is independent present.
- 9. The Company Secretary shall be the Secretary of the Committee.

PROCEEDINGS AT MEETINGS

- 10. If at any meeting the Chairman is not present within 10 minutes after the time appointed for holding the meeting, or is unwilling to act, the members present may choose one of their numbers to be Chairman of the meeting.
- 11. Save as is otherwise provided, the Committee shall meeting, adjourn or otherwise regulate its meetings and proceedings as it thinks fit. Questions 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.
- 12. 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 present, or at which only two members are competent to votes on the question at issue, shall not have a casting vote.
- 13. A resolution signed by all members of the Nomination Committee for the time being present in Malaysia shall be as effective as a resolution passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in the same form and each signed by one or more members of the Nomination Committee.

FREQUENCY OF MEETINGS

- 14. The meetings shall be held not less than once a year. A member may at any time and the Secretary shall on the requisition of a member summon a meeting of the Nomination Committee.

REPORTING PROCEDURES

- 15. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.