

## NOMINATION COMMITTEE

<b>Chairman</b>	:	Mr Chong Jee Min <i>(Independent Non-Executive Director)</i>
<b>Members</b>	:	Y. Bhg. Dato' Kamaruddin @ Abas bin Nordin <i>(Non-Independent Non-Executive Director)</i>  Ms Yap Soo Har <i>(Independent Non-Executive Director)</i>
<b>Terms of Reference</b>	:	<ul style="list-style-type: none"> <li>To recommend to the Board, candidates for directorships in Lion Industries Corporation Berhad</li> <li>To consider, in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any Director or major shareholder and from independent sources</li> <li>To recommend to the Board, Directors to fill the seats on Board Committees</li> <li>To assist the Board in reviewing on an annual basis, the composition, the required mix of skills, experience, diversity and other qualities, including core competencies which each individual Director including the independent non-executive Director should bring to the Board</li> <li>To assess, on an annual basis, the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director, based on the process and procedure laid out by the Board</li> <li>To review the induction and training needs of Directors</li> <li>To consider other matters as referred to the Committee by the Board from time to time</li> </ul>

### NOMINATION COMMITTEE REPORT

The Nomination Committee comprises 3 members, all of whom are non-executive Directors with a majority of them being independent Directors. The Nomination Committee is chaired by Mr Chong Jee Min who is the Senior Independent Director identified by the Board.

#### Appointment to the Board and the Effectiveness of the Board

The Nomination Committee is responsible for identifying, evaluating and nominating suitable candidates with the necessary mix of skills, experience and competencies to be appointed to the Board and Board Committees to ensure the effectiveness of the Board and the Board Committees. As an enhancement to its current process, the Nomination Committee may also consider procuring suitable candidates from independent sources, when required. The Nomination Committee annually reviews and assesses the effectiveness of the Board and the Board Committees as well as individual Directors based on the criteria set out by the Board and according to the fulfilment of the respective Board Committee's Terms of Reference.

The assessment criteria of the Board's evaluation/performance review process as well as the process and criteria to identify and nominate candidates for appointment as a Director, and re-election and re-appointment of existing Directors are set out in the Board Charter.

In assessing and recommending to the Board suitable candidature of Directors, the Nomination Committee shall consider the competencies, expected contributions and diversity representation covering the qualifications, knowledge, industrial experience and expertise, seniority and past achievements, appointment scope, role, commitment level, professionalism and integrity, and the appropriateness and the fulfilment of the Board's desired mix of competencies, age, gender and cultural background which would contribute to the overall desired composition of the Board.

The Directors' mix of skills are set out in the respective profile under Directors' Profile on pages 6 to 9 of this Annual Report.

#### **Activities of the Nomination Committee for the Financial Year**

The Nomination Committee met thrice since the date of the last Annual Report and all the members attended the Meetings.

The Nomination Committee had carried out the following duties for the financial year in accordance with the Terms of Reference:

- (i) Assessed and recommended for Board's consideration, the appointments of the following Directors:
  - (a) Ms Cheng Hui Ya, Serena as a non-independent non-executive Director of the Company.
  - (b) Y. Bhg. Dato' Nik Rahmat bin Nik Taib as an independent non-executive Director and a member of the Audit Committee of the Company; and
- (ii) Reviewed and enhanced the process of the annual evaluation of the effectiveness of the Board as a whole, the Board Committees and the contribution of each of the individual Directors and Audit Committee members following which:
  - (a) forms for performance evaluation of the Board as a whole and of the Directors (Peer and Self Assessment) had been enhanced; and
  - (b) new evaluation forms were adopted to assess the level of financial literacy of Audit Committee members and performance of the Audit Committee as a whole.
- (iii) Reviewed and assessed the performance and effectiveness of the Board and the Board Committees as well as the individual Directors and their independence based on the broad Fit & Proper, and Independence criteria using a set of quantitative and qualitative performance evaluation forms adopted by the Nomination Committee, and made the appropriate recommendation to the Board.
- (iv) Reviewed the term of office and performance of the Audit Committee and each of its members and assessed and evaluated the effectiveness of the Audit Committee in conducting its activities in accordance with its Terms of Reference.
- (v) Reviewed the assessment of the financial literacy of each of the members of the Audit Committee and was satisfied that all members are financially literate and able to understand matters under the purview of the Audit Committee including financial reporting process.
- (vi) Reviewed the retirement of Ms Cheng Hui Ya, Serena and Y. Bhg. Dato' Nik Rahmat bin Nik Taib who were appointed during the financial year and recommended their re-election for Board's consideration.
- (vii) Reviewed the retirement by rotation of Y. M. Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin and recommended his re-election for Board's consideration.
- (viii) Discussed the vacancy arising from the retirement of Mr Chong Jee Min whose tenure of service as an independent Director had exceeded 12 years and the appointment of a new independent Director in due course.
- (ix) Reviewed the training needs of the Directors and was satisfied that the Directors having attended the relevant training programmes as well as having been updated and apprised on a continuing basis by the Company Secretaries on new and revised statutory and regulatory requirements, had adequately met the training needs of each of the Directors towards enhancing his skills and knowledge to carry out his duties as a Director.
- (x) Approved and recommended for Board's consideration the Nomination Committee Report incorporating the Nomination Committee's activities for inclusion in the Annual Report.