

KOON HOLDINGS LIMITED

(Company Registration No. 200303284M)
(Incorporated in the Republic of Singapore)

NOMINATING COMMITTEE

TERMS OF REFERENCE

1. CONSTITUTION

- 1.1. The Nominating Committee (the “**Committee**”) is constituted pursuant to Article 105 of the Company’s Constitution and was established by the Board of Directors of the Company (“**Board**”) on 11 April 2003.
- 1.2. In the event of any conflict between the provisions of these Terms of Reference and the provisions of the Corporate Governance Principles and Recommendations of the Australian Securities Exchange Limited (the “**Code**”) and unless the Board resolves otherwise, the provisions of the Code shall prevail and the provisions of these Terms of Reference shall be deemed amended to such extent as may be necessary to remove such conflict.

2. MEMBERSHIP

- 2.1. The Committee shall be appointed by the Board from among its members and shall comprise not less than three members (or such other minimum number and criteria as may be specified in the Code from time to time), the majority of whom (including the Chairman of the Committee) shall be Independent Directors of the Company.
- 2.2. The Board shall appoint the Chairman of the Committee from the members of the Committee, who shall be an Independent Director of the Company. In the event that the Chairman is not an independent Director, the Committee shall appoint an independent Director as the deputy Chairman of the Committee.
- 2.3. The Secretary, who shall not be a member, may be invited to attend meetings as the Committee may decide.
- 2.4. A member shall automatically cease to be a member of the Committee if he is removed as or is disqualified from being a Director pursuant to Singapore law or the Company’s Constitution or if he retires or resigns from the Board.
- 2.5. Where the number of members is reduced to below three, the Board shall, within three months of that event, appoint such number of new member(s) as may be required to make up the minimum number of three members.
- 2.6. Notwithstanding any vacancy in their body, the continuing members of the Committee may act so long as the number of members of the

Committee does not fall below two for a period exceeding three months.

3. TERMS OF REFERENCE

3.1. Appointment of Directors and Key Executive Officers

The Committee shall:

- (i) review and make recommendations to the Board on all candidates nominated (whether by the Board, shareholders or otherwise) for appointment to the Board, taking into account the candidate's track record, age, experience, capabilities and other relevant factors to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to discharge its duties and responsibilities effectively; and
- (ii) review all candidates nominated for appointment as the Company's Managing Director, Chief Financial Officer, General Managers, Group Financial Officer, or such other officer by whatever name called, who has responsibilities and functions similar to any of the said officers.

3.2. Retirement and Re-election of Directors

- (i) The Committee shall identify and make recommendations to the Board as to all Directors who are to retire by rotation and to be put forward for re-election at each Annual General Meeting of the Company, having regard to factors such as the relevant Directors' contributions, performance, attendance, preparedness, participation and candor at meetings.
- (ii) The Committee shall ensure that, in connection with the re-election of Directors at Annual General Meetings of the Company, sufficient information is provided to shareholders so as to enable them to make an informed decision.

3.3. Independence of Directors

- (i) The Committee shall procure that a majority of the Board (or such minimum proportion and criteria as may be specified in the Code from time to time) shall comprise of Independent Directors.
- (ii) A Director of the Company should only be characterised and described as an Independent Director if he or she is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to

bear on issues before the Board and to act in the best interests of the Company and its security holders generally.

A director who:

- (a) is an executive Director of the Company or any of its related companies and has not been employed by the Company or any of its related companies in the immediate past three financial years;
- (b) has an immediate family member (spouse / parent / brother / sister / son / adopted son / daughter / adopted daughter) who is, or has been in the immediate past three financial years, employed by the Company, any of its related companies as a senior executive officer whose remuneration is determined by the Company's Remuneration Committee, or any of the persons who fall within any of the categories of persons as stipulated under this paragraph 3.3(ii);
- (c) has accepted any compensation from the Company or any of its related companies other than fees for acting as a Director of the Company for the current or immediate past three financial years;
- (d) has been in any material business relationship (for example, as a supplier or a customer) with the Company or any of its subsidiaries, or an officer of, or otherwise in association with, someone with such a relationship;
- (e) has any contractual relationship with the Company or its subsidiaries other than as Director of the Company;
- (f) is a substantial shareholder of or a partner in (with 10% or more stake) or an executive officer of, any for-profit business organization to which the Company made, or from which the Company received, significant payments (aggregated over any financial year in excess of S\$200,000) in the current or immediate past financial year;
- (g) has a relationship with the Company, its related companies or its officers that could interfere or be reasonably perceived to interfere, with my exercise of independent business judgment with a view to the best interests of the Company and in carrying out my functions as an independent director and as a member of any Board committee(s);
- (h) has served on the Board for any such period that my independence may have been compromised; and/or
- (i) such other criteria as may be prescribed under the Code

from time to time,

will not be considered independent, unless the Board is satisfied on reasonable grounds that the director is independent despite the existence of one or more of these circumstances.

- (iii) Annually, the Committee shall determine whether or not a Director is independent, bearing in mind the circumstances set out in paragraph 3.3(ii) above and other salient factors.
- (iv) An Independent Director shall immediately notify the Committee if, as a result of a change in circumstances, he may no longer meet the criteria for independence. The Committee shall, after considering the change in circumstances, determine whether such Director continues to be independent. If the Board determines that a director's status as an Independent Director has changed, that determination should be disclosed and explained in a timely manner to the relevant markets.
- (v) If the Committee determines that a Director who has one or more of the relationships mentioned in paragraph 3.3(ii) above is nevertheless independent, it shall explain to the Board the nature of such Director's relationships and why such Director should be considered independent. In each of the relationships stated in paragraph 3.3(ii) above, the materiality of the interest, position, association or relationship needs to be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.
- (vi) The Board can consider a Director as independent if any relationship he may have with the Company would not interfere, or be reasonably be seen to interfere with that Director's exercise of independent judgement.
- (vii) The mere fact that a Director has served on the Board for a substantial period does not mean that he or she has become too close to management to be considered independent. However, the Committee should regularly assess whether that might be the case for any Director who has served in that position for more than ten years.

3.4. Multiple Board Representations

- (i) A non-executive Director must inform the Committee before accepting any new appointment as a director of another listed Company, any other material directorship or any other position with a significant time commitment attached.

- (ii) When a Director has multiple board representations, the Committee shall decide whether or not he is able to and has been adequately carrying out his duties as a Director of the Company. If the Committee considers it necessary, it shall make recommendations to the Board on guidelines to be implemented to address the competing time commitments faced by Directors serving on multiple boards.

3.5. Board Performance

The Committee shall propose, for approval by the Board, objective performance criteria to evaluate the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board. Once approved by the Board, the performance criteria shall not be changed from year to year without proper justification.

4. MEETINGS AND PROCEEDINGS

- 4.1. The Committee will regulate its own procedures and in particular the calling of meetings, the notice to be given for such meetings, the voting and the proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.
- 4.2. The Committee shall meet as often as it deems necessary. A meeting may be called by any member of the Committee.
- 4.3. Non-member Directors and the executive officers of the Company and its related companies may only attend meetings of the Committee if invited.
- 4.4. Meetings of the Committee may be conducted by means of telephone or audio-visual conferencing or other methods of simultaneous communication by electronic, telegraphic or other means by which all persons participating in the meeting are able to hear and be heard at all times by all other participants.

The minutes of such meetings signed by the Chairman of the Committee shall be conclusive evidence of any matter conducted at such meetings.

- 4.5. The quorum for meetings shall be any two members present and voting. At least half of the members present must be Independent Directors.
- 4.6. At all meetings of the Committee, the Chairman of the Committee, if present, shall preside. In his absence, the members present at the meeting shall elect one of its members, who shall be an Independent Director, to be Chairman of the meeting. If a deputy Chairman is elected, he or she shall preside.

- 4.7.** All decisions of the Committee shall be made via a simple majority of the votes cast. In the event of an equality of votes, the Chairman of the Committee shall have a second or casting vote.

Provided that a resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at the meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like forms, each signed by one or more members.

- 4.8.** The Secretary shall minute the proceedings and resolutions of all meetings as well as keep appropriate records. If the Secretary is not present, the Chairman shall inform the Secretary as to the decision of the Committee. The minutes of meetings may be circulated to the other members of the Board if the Chairman of the Committee so decides.

5. REPORTING

- 5.1.** The Committee shall ensure that the following (and such other information as may be required by the Code from time to time) are disclosed in the Company's Annual Report:-

- (i) the assessment process (mentioned in paragraph 3.5 above) implemented by the Board; and
- (ii) key information regarding the Directors such as academic and professional qualifications, shareholding in the Company and its subsidiaries, Board committees served on (and whether as a member or chairman), date of first appointment as Director, date of last re-election as Director, directorships or chairmanships (both current and those held over the preceding three years) in other listed companies, and other major appointments.

- 5.2.** The Chairman (or in his absence, another member) of the Committee shall attend the Company's Annual General Meeting and be prepared to answer questions.

- 5.3.** The Committee shall ensure that the Terms of Reference of the Committee is made available to shareholders via its website.