

TERMS OF REFERENCE
OF THE NOMINATING COMMITTEE

1. **COMPOSITION**

- (a) The Committee shall be appointed by the Board of Directors (“Board”) from amongst their members and shall compose exclusively of non-executive directors, majority of whom shall be independent non-executive directors. The Committee shall comprise of not less than three (3) members.
- (b) Where the membership of the Committee falls below three (3) due to retirement or resignation or any other reasons, the vacancy must be filled within three (3) months to make up the minimum of three (3) members.
- (c) The terms of office and performance of each of the members of the Committee shall be reviewed by the Board as and when necessary.

2. **DUTIES AND RESPONSIBILITIES**

It is the responsibility of the Committee

- (a) To identify and recommend new nominees to the Board of Harn Len, for all directorships to be appointed by the shareholders or the Board.

The potential candidates may be proposed by the Executive Chairman, any any Director or shareholders of Harn Len.

The actual decision as to who should be nominated should be the responsibility of the full Board after considering the recommendations made by the Committee.

- (b) To consider the following criteria in its recommendations for selection candidates, re-appointment, re-election of directors and retention of Independent non-executive Directors (INED) :
 - skills, knowledge, expertise and experience;
 - professionalism;
 - character and integrity;
 - competence and time to effective discharge his role;
 - gender, ethnicity and age; and
 - in the case of candidates for the position of INED, to evaluate the candidates’ ability to discharge such responsibilities / functions pursuant to the criteria as set out in the Listing Requirements of Bursa Malaysia Securities Berhad;

**TERMS OF REFERENCE
OF THE NOMINATING COMMITTEE**

- (c) To identify and recommend to the Board for all directorship proposed by the Executive Chairman and any Director to fill the seats on Audit, Nomination and Remuneration or other Committees.
- (d) To establish nomination process for the Appointment of Directors.
The process are as follows :
 - i) Identification of candidates
 - ii) Evaluation of suitability of candidates
 - iii) Meeting up with candidates
 - iv) Deliberation by the NC
 - v) Recommendation to the Board
- (e) To assess the director(s) who is subject to re-election, re-appointment and approval for retention [applies to Independent Directors who has served for more than nine (9) years] at the Annual General Meeting before recommending to the Board and shareholders for re-election, reappointment and approval for retention.
- (f) To review annually the overall composition of the Board in terms of appropriate size, required mix of skills, experience including core competencies, gender diversity and the adequate balance of power between the executive and non-executive directors with a view to determine on its effectiveness. NC is also to consider suitable and creditable women candidates in its recruitment exercise.
- (g) To carry out an annual assessment of the effectiveness of the Board as a whole as well as the committees of the Board and also to assess the performance of each individual member of the Board. The criteria for assessment should include but limited not to experience, qualification, integrity, competence and time to effectively discharge his role. All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.
- (h) To recommend suitable orientation, education and training programme to continuously train and equip the existing and new directors in order to keep abreast with the latest development in the industry.
- (i) The Committee is to work with the Board to establish a clear succession plan.

TERMS OF REFERENCE
OF THE NOMINATING COMMITTEE

3. RULES AND PROCEDURES AT MEETINGS

(a) Frequency of Meeting

The Committee shall meet as and when the need arises subject to at least one (1) meeting per year.

The Committee may invite any other directors or employees within the Company to attend any of its meetings. The Committee is also authorised to obtain external professional advice and if required, to invite outsiders with the relevant experience and expertise to attend the meeting to assist the Committee in its deliberations.

(b) Chairman of the Meeting

The Chairman of the Meeting must be a Senior independent non-executive director. In the absence of the Chairman, the members present shall elect one of their members to chair the meeting.

(c) Notice and Agenda of Meeting

Meeting may be scheduled by the Committee or the Chairman. Meeting agenda shall be the responsibility of the Chairman with input from the Committee members. The Chairman may ask the Management to participate in this process. Unless all agreed, the notice and agenda of meeting shall be circulated at least seven (7) days before each meeting to the Committee members and all those who are required to attend the meeting. Written materials including information requested by the Committee from the Management or external consultants shall be received together with the agenda for the meeting.

(d) Quorum for the Meeting

The quorum for a meeting shall be three (3) members.

**TERMS OF REFERENCE
OF THE NOMINATING COMMITTEE**

(e) Meeting via Telecommunication Device

A member shall be deemed to be present at a meeting of the Committee if he participates by instantaneous telecommunication device and all members of the Committee are able to hear each other and recognise each other's voice, and for this purpose, participation constitutes prima facie proof of recognition. For the purposes of recording attendance, the Chairman or Secretary of the Committee shall mark on the attendance sheet that the member was present and participating by instantaneous telecommunication device.

A member may not leave the meeting by disconnecting his instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the meeting and a member will be conclusively presumed to have been present and to have formed part of the quorum at all times during the committee meeting by instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the meeting to leave the meeting.

Minutes of the proceedings at a committee meeting by instantaneous telecommunication device will be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as correct minutes by the Chairman of the meeting.

(f) Decision

Questions arising at any meeting shall be decided upon by a majority vote, each member having one (1) vote. In the event of equality of votes, the Chairman of the Committee shall have a casting vote.

(g) Secretary of the Meeting

The Company Secretary or her representative(s) shall be the Secretary of the Committee at all meetings and shall be entrusted to record all proceedings and minutes of the Committee's meetings. Minutes shall be signed by the Chairman of the Meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes shall be circulated to all members of the Committee and of the Board.

(h) Reporting to the Board

The Committee, through its Chairman, shall report to the Board at the next Board of Directors' Meeting after each Committee meeting.

**TERMS OF REFERENCE
OF THE NOMINATING COMMITTEE**

- (i) The Committee shall provide such information to the Board as necessary to assist the Board in making a disclosure in the Annual Report in accordance with the Principles & Recommendations of the Malaysian Code on Corporate Governance 2012 and the Listing Requirements of Bursa Malaysia Securities Berhad, (Listing Requirements) Appendix 9C Part A.

4. OTHERS

- (i) The Committee should be entitled to the services of a company secretary who must ensure that all appointments are properly made, that all necessary information is obtained from directors, both for the company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Listing Requirements or other regulatory requirements.
- (ii) The Committee should ensure compliance with any changes / amendments / updates / insertions of the Listing Requirements and any other applicable laws and regulations, arising thereof from time to time.