

HARN LEN CORPORATION BHD

**Incorporated in Malaysia
200001000001 (502606-H)**

TERMS OF REFERENCE OF THE NOMINATING COMMITTEE

1. COMPOSITION

- (a) The Nominating Committee ("NC" or 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("INED"). 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.
- (d) The position of the Chairman of the Committee shall be held by the Senior Independent Director of the Board, if one is identified. The Chairman of the Committee shall not be the Chairman of the Board.

2 DUTIES AND RESPONSIBILITIES

It is the responsibility of the Committee

- (a) To oversee the selection, assessment, and nomination process for Directors, including candidates for new Directors and Directors standing for appointment and re-appointment, in accordance with relevant laws, applicable regulations including the Main Market Listing Requirements, the Board Charter and other relevant documents of Harn Len. All activities carried out by the Committee in the discharge of its responsibilities shall be adequately documented.

"Appointment and re-appointment" in this document includes election or re-election with respect to the Companies Act 2016 and Main Market Listing Requirements (e.g. for Board-appointed new Directors and Directors retiring "by rotation"), and shareholders' approval for re-appointment of Independent Directors exceeding their 9-year tenure.
- (b) To review annually the overall composition of the Board in terms of appropriate size, required mix of skills, experience including core competencies, gender diversity, tenure of each Director and the adequate balance of power between the Executive and Non-Executive Directors with a view to enable an effective Board.
 - (i) The NC shall consider Board diversity, including gender, age, and ethnicity, and apply the Group's Diversity Policy.
 - (ii) In its review, the NC shall determine if the Board composition is appropriate and effective in driving the Company's strategy and managing business, including sustainability considerations.

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- (iii) The NC shall also consider if the Board composition meet corporate governance requirements in accordance with relevant laws and regulations.
- (c) To identify and recommend candidates as new Directors to the Board of Harn Len. When sourcing for candidates, the Committee shall ensure it considers the use of independent sources apart from recommendations from existing Directors, Management, or major shareholders. Justifications shall be provided to the Board if independent sources were not used in the sourcing process.
- (d) To develop, review and recommend the Company's Fit and Proper Policy for the Board's approval.

Before making recommendations to the Board, to assess Directors standing for appointment or re-appointment, including candidates for new Directors, against the Fit and Proper Policy and amongst others, the following considerations:

- skills, knowledge, expertise and experience;
 - professionalism;
 - character and integrity – the Committee shall not recommend any appointment which may cast doubt on the integrity and governance of the Company;
 - competence and time available to effectively discharge his role – including the Director's directorships in entities outside the Group and other external commitments;
 - any conflict of interest – the Committee shall obtain declaration from Directors on any conflict of interest situations that they have with the Group;
 - ability to understand financial statements and form a view on information presented: and
 - In the case of INED, to evaluate the Director's independence pursuant to the criteria as set out in the Listing Requirements of Bursa Malaysia Securities Berhad.
- (e) For incumbent Directors standing for re-appointment, the NC to also assess the Directors on their performance and contribution to the Board. Recommendation for appointment/re-appointment shall be contingent on satisfactory evaluation.
 - (f) To identify and recommend to the Board for the Directors to fill the seats of Committee Chairman and members for the Audit, Nominating, and Remuneration or other Board Committees.
 - (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 assessment shall consider, amongst others, the application of the Fit and Proper Policy, the required Board composition (including size and mix of skills, etc.) and qualities required of individual Directors. The outcome of the annual assessment shall be discussed with the Board, including how it has or will affect Board composition.

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- (h) Based on the annual effectiveness assessment, to identify improvement areas in view of enabling effective discharge of the Board's duties and responsibilities and make relevant recommendations to the Board.
- (i) To determine the training needs for the Board, Committees, and Directors considering, amongst others, the outcome of the annual assessment. To also develop orientation programmes for newly appointed Directors.
- (j) To work with the Board to establish clear succession planning for the Board and senior management.
- (k) To establish nomination process for the Appointment of Directors.
The process are as follows:
 - Identification of candidates
 - Evaluation of suitability of candidates
 - Meeting up with candidates
 - Deliberation by the NC
 - Recommendation to the Board

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 entitled 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 Committee Chairman shall be the Chairman of the Committee meetings. In the absence of the Committee Chairman, the members present shall elect one of their members to chair the meeting.

The Chairman of the Committee shall be appointed by the Members from amongst the INED and shall not be the Chairman of the Board.

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(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 five (5) business days before each meeting to the Committee members and all those who are required to attend the meeting. Notice of meeting together with written materials for the meeting may be circulated via any appropriate form of technology. 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 two (2) members

(e) Meeting via Telecommunication Device

The Committee may hold its meeting at two (2) or more venues within Malaysia or overseas using any technology that gives each committee member a reasonable opportunity to participate.

The technology to be used for virtual meeting must be such that each committee member taking part in the meeting must be able to communicate simultaneously with each of the other members taking part in the meeting and may include telephone, television, video conferencing, or any other audio and/or visual device which permits instantaneous communication.

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 including virtual meetings 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 or the next succeeding 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.

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(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 within 30 business days from the meeting.

(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.

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 2021 and the Listing Requirements of Bursa Malaysia Securities Berhad - Appendix 9C Part A.

4. OTHERS

- (a) 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
- (b) 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.