

HONG SENG CONSOLIDATED BERHAD

Registration No. 200101001581 (537337-M)

TERMS OF REFERENCE OF THE NOMINATING COMMITTEE

Revision Date : []

Custodian : Finance Department

TERMS OF REFERENCE OF THE NOMINATING COMMITTEE

1. Members

The Nominating Committee (“**Committee**”) shall be appointed by the Board of Directors (“**Board**”) and shall consist of not less than 2 members of which comprising exclusively non-executive directors, a majority of whom shall be independent directors.

In the event of any vacancy in the Committee resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months.

The Board must review the term of office and performance of the Committee and each of its members at least once every 3 years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

2. Chairman

The members of the Committee shall elect a Chairman amongst themselves who shall be an independent director or senior independent director.

3. Functions

The Committee shall:-

- (a) recommend prospective candidates, as required, to provide an appropriate balance of knowledge, experience and capability from a diverse background, including gender, age and ethnicity to complement the Board;
- (b) consider, in making its recommendations, candidates for directorships proposed by the Executive Directors 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;
- (d) identify, evaluate and recommend candidates for appointment as Company Secretary;
- (e) assess annually the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and members have carried out their duties in accordance with their terms of reference.
- (f) assess annually the effectiveness of the Board as a whole, the other Board Committees and the contribution of each existing individual Director and thereafter, recommend its findings to the Board;
- (g) review annually the structure, size, composition of the Board and/or Board Committees, required mix of skills and experience and other qualities, including core competencies and ability of each Director in carry out their obligations and duties as a director and thereafter, recommend its findings to the Board;
- (h) recommend retiring directors for re-election to the Board, based on the individual Director’s annual assessment result to ensure that the performance of the retiring directors is satisfactory; and
- (i) report in the annual report, a statement about the activities of the Committee in the financial year. Such statement must include information of its review to ensure that each of its Directors, Chief Executive or Chief Financial Officer has the required competency to

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effectively discharge his/her respective role as well as:-

- the policy on board composition in regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the Company;
- the board nomination and election process and criteria used by the Committee in the selection process; and
- the assessment undertaken by the Committee in respect of its Board, Committees and individual Directors and the criteria used for such assessment.

4. Structures and Procedures

The Committee shall meet at least once annually and otherwise as the chairman of the Committee shall require, with due notice of issues to be discussed and should record its conclusion in discharging its duties and responsibilities. The Committee should disclose the number of committee meetings held in a year and the details of attendance of each individual member in respect of meetings held. The quorum shall be 2 members with majority of independent directors.

The Committee should have a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the Committee is firmly in its hands. All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.

The Committee should be entitled to the services of a secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, both the Company's own records and for the purposes of meeting statutory requirements, as well as obligations arising from the Listing Requirements of Bursa Malaysia Securities Berhad and/or other regulatory authorities.

5. Access to Advice

In furtherance to their duties as the Committee's members of the Company, there should be an agreed procedure for the members, whether as a full Committee or in their individual capacity, to take independent professional advice at the Company's expense, if necessary.

6. Review of Terms of Reference

This Terms of Reference shall be reviewed periodically (subject to at least once in every 3 years) in accordance with the needs of the Company and the Board's approval shall be obtained for any amendment or changes made from time to time.