

Hap Seng Consolidated Berhad 197601000914 (26877-W)**NOMINATING COMMITTEE****Terms of Reference of Nominating Committee****Membership**

- The Nominating Committee shall be appointed by the Board from amongst the directors of the Company of not less than three non-executive directors, a majority of whom are independent.
- The Nominating Committee is chaired by independent director or senior independent director.
- In the event the number of members is less than the required number of three due to resignation or for any reason whatsoever, the Board shall within three months appoint new member(s) to fill up the vacancy. All members of the Nominating Committee shall hold office until otherwise determined by the Board or until they cease to be a director of the Company.

Attendance at Meetings

The quorum necessary for the transaction of business shall be two members and decisions are by majority votes.

Frequency of Meetings

The Nominating Committee shall meet as often as it requires but at least twice per financial year.

Proceedings of Meetings

- The Nominating Committee shall have access to sufficient resources to facilitate the carrying out of its duties, including obtaining, at the Company's expense, outside legal or other professional advice on any matters within its term of reference.
- In the absence of the chairman, the Nominating Committee shall appoint one of the independent non-executive members present to chair the meeting.
- Questions arising at any meeting where a quorum is present shall be decided by a majority of votes of the members present, each member having one vote.
- In case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

Scope of Authority

The Nominating Committee does not have the delegated authority from the Board to implement its recommendations but is obliged to report its recommendations to the Board for its consideration and implementation. The ultimate decision on appointment of directors is the responsibility of the Board after considering the recommendations of the Nominating Committee.

Responsibilities of the Nominating Committee

- To consider and recommend candidates onto the Board and Board Committees guided by the selection criteria set out in the directors' fit and proper policy which include, amongst others, integrity and professionalism, expertise and experience, independence and objectivity, personal attributes, dedication and commitment and board diversity (including gender, ethnicity and age) as well as any potential conflict of interest.
- To annually evaluate performance and effectiveness of the Board and Board Committees collectively as well as performance of each individual member through the self and peer-assessment.
- To evaluate the independence of each independent director on a yearly basis, and in particular independence of independent directors who have served in that capacity for nine years or more. In this regard, the Nominating Committee is guided by the criteria set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- To review the size and composition of the Remuneration Committee.
- To review the terms of reference and performance of the Audit Committee and each of its members.
- To facilitate Board induction and training programmes.
- Assessing directors' training needs periodically and devising relevant professional development programmes based on such assessment for recommendation to the Board.
- To develop a proper succession plan for the Board including the future chairman so as to ensure a smooth transition when directors leave the Board, and that positions are filled and skill gaps addressed.
- To monitor and recommend the functions to be undertaken by the various Board Committees.

- To review and assess the adequacy of the Charter, Terms of Reference and Code of Conduct annually.
- To oversee the implementation of anti-bribery and corruption policy and whistle-blowing policy and undertake the necessary inquiries and investigations of the reports and make the necessary findings.