

HARRISONS HOLDINGS (MALAYSIA) BERHAD
REGISTRATION NO. [199001003108 (194675-H)]

TERMS OF REFERENCE - NOMINATION COMMITTEE

1. Purpose

The purpose of the Nomination Committee (“NC”) is to establish a structured oversight process for recruiting, retaining, training and developing individuals qualified to become members of the Board to ensure the best composition of the Board, taking into account the current and future needs of the Company and its subsidiaries (“Group”), boardroom diversity and other soft attributes required as a Company Directors and/or the Group.

2. Composition and Membership

- i) The NC shall be appointed by the Board from amongst the members.
- ii) The NC shall compose of not less than three (3) members.
- iii) The NC shall comprise exclusively of Non-Executive Directors, a majority of whom must be independent.
- iv) The office of a NC member shall automatically be vacated when he ceases to be a Director of the Company.
- v) In the event of any vacancy in the NC resulting in the non-compliance of the above, the Company must fill the vacancy within three (3) months.
- vi) No alternate director shall be appointed as a member of the NC.

3. Chairman

The Chairman shall be elected by the NC from amongst their members, who is an Independent Director.

The Chairman’s roles is to:

- i) lead the succession planning and appointment of directors, and oversee the development of a diverse pipeline for board and management succession, including the Chairman of the Board and the Managing Director (“MD”), Executive Director(s) and/or the Chief Executive Officer (“CEO”) whilst maintaining contact with the principal shareholders; and
- ii) lead governance issues, particularly the annual review of Board effectiveness, ensuring that the performance of each individual director and Chairman of the Board are independently assessed.

If the NC Chairman is not present at a meeting within fifteen (15) minutes after the time appointed for holding the meeting, the members of the NC may elect one (1) of their members, of whom must be independent to be the chairman of the meeting.

4. Secretary

The Company Secretary or his/her nominee shall act as the Secretary of the NC and shall be responsible, in conjunction with the NC Chairman, for drawing up the agenda and circulating it to the NC prior to each meeting.

The Secretary or his/her nominee shall be in attendance at each NC meeting and record the proceedings of the meeting thereat and minute the resolutions.

HARRISONS HOLDINGS (MALAYSIA) BERHAD
REGISTRATION NO. [199001003108 (194675-H)]
TERMS OF REFERENCE - NOMINATION COMMITTEE

The Secretary shall also be responsible for keeping the minutes of NC meetings and circulating them to the NC Members. The NC Members may inspect the minutes of the NC meetings at the Registered Office of the Company.

5. Meetings

- i) The Committee shall meet at least once a year and hold additional meetings as and when necessary depending on the level of responsibility and complexity of the Group.
- ii) The Members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the NC meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- iii) The quorum for a meeting shall be two (2) members with a majority of the independent directors present at the meeting. The Committee at which a quorum is present is considered to be competent for the exercise of its authorities, powers and discretions vested upon it.

If within half an hour from the time appointed for the NC meeting, a quorum is not present, the NC meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day, time and place as the NC members by notice to the other NC members appoint.

- iv) All decisions at such meeting shall be decided on a show of hands on a majority of votes. In the case of an equality of votes, the Chairman shall be entitled to a casting vote in addition to the vote which he is entitled as a NC member.
- v) Meetings of the NC shall be called by the Secretary of the NC at the request of the NC Chairman based on planned calendar dates. Notice of each meeting confirming the venue, time and date, together with an agenda of items and its supporting papers to be discussed, shall be forwarded to all NC members.
- vi) The NC shall have the right to invite other Directors, Management and consultants as applicable to participate in the NC meetings, as and when necessary, to carry out its responsibilities.
- vii) The Secretary or his/her nominee shall minute the proceedings and resolutions, including the names of all attendees. Draft minutes of meetings of the NC shall be circulated promptly to all NC members. Once approved, minutes should be circulated to all other directors, unless a conflict of interest exists.
- viii) The NC may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.
- ix) The Chairman shall report to the Board on its proceedings after each meeting on matters within its duties and responsibilities. The NC shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- x) Except in the case of an emergency, reasonable notice of every meeting no later

than seven (7) days before the date of the meeting shall be given in writing and the notice of each meeting shall be served to the NC member either personally or by fax or e-mail, fax, or by post or by courier to his/her registered address as appearing in the Register of Directors or to the address provided by the NC member, as the case may be.

6. Resolutions in Writing

In the event the NC require matters to be approved by way of a written resolution, a resolution in writing signed or approved by letter or telefax or other electronic means by a majority of members of the NC, shall be as valid and effectual as if it had been passed at a meeting of the NC duly called and constituted.

Any such resolution may be executed in any number of counterparts, each signed by one (1) or more NC members, all of which taken together and when delivered to the Secretary shall constitute one (1) and the same resolution.

7. Duties and Functions

The main functions and duties of the NC shall include, but are not limited to the following:-

New Appointments of Directors or Senior Management

- i) To consider and recommend to the Board candidates for board position, proposed by Management, Director, shareholder or outsourced service providers, taking into consideration the candidates' skills, knowledge, expertise and experience, time commitment, character, competence, professionalism, integrity, age, cultural background and gender. For the position of independent Non-Executive Directors ("INED"), the NC should also evaluate the ability of the candidates to discharging such responsibilities as expected from the INED.
- ii) To evaluate the balance of skills, knowledge, expertise and experience, independent elements and diversity on the Board, and the current and future needs (including the need to bring new skills and perspective to the Boardroom) and size of the Company in identifying suitable candidates before any appointment by the Board.

Accordingly, the NC may:-

- Use the services of external advisors or independent sources (including sourcing from a directors' registry and open advertisements) to facilitate the search from diverse pools;
- Consider candidates from a wide range of backgrounds;
- Consider candidates on merit and against objective criteria with due regard for diversity including gender, ethnicity and age, and time commitment, skill and experience; and
- Request to consider the disclosure of any business interests that may result in a conflict of interest.
- If the selection of candidates was based on recommendations made by existing directors, Management or major shareholders, the NC should explain to the Board why these source(s) suffice and other sources were not used.

- iii) To recommend to the Board, candidates to fill the seats on Board committees, in consultation with the Chairman of those committees. In the event that the Chairman's position (Board/committee) is to be filled, to consult with the Board.
- iv) To consider and recommend to the Board the candidates for executive directors [MD/ CEO, Chief Operating Officer ("COO") and Chief Information Officer ("CIO)], non-executive directors [Non-Independent Non-Executive Director ("NINED") and INED], principal officer [Chief Financial Officer ("CFO")] and/or key senior management, taking into consideration the candidates' skills, knowledge, expertise, experience, time, commitment, character, professionalism, integrity and diversity on senior management.

Re-election, Re-appointment and Resignation/ Termination

- i) Recommend to the Board, candidates for re-election of Directors by shareholders under the annual re-election provisions or retirement, which is contingent on satisfactory evaluation of the directors' performance and contribution to the board with due consideration to the extent to which the interplay of the Directors' expertise, skills, knowledge and experience with those of other Board Members, as well as their roles as Committee Members.
- ii) Attention should be paid to Independent Directors who are retained beyond nine (9) years as the Board has to provide strong justification in exceptional circumstances and seek shareholders' approval through a two-tier voting process.

Under the two-tier voting process, shareholders' votes will be cast in the following manner at the same shareholders' meeting:-

- Tier 1: Only the Large Shareholder(s) of the Company votes; and
- Tier 2: Shareholders other than Large Shareholder(s) votes.

Large Shareholder means a person who:

- is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in the Company; or
- is the largest shareholder of voting shares in the Company; or
- has the power to appoint or cause to be appointed a majority of the Directors of the Company; or
- has the power to make or cause to be made, decisions in respect of the business or administration of the Company, and to give effect to such decisions or cause them to be given effect to.

The decision for the resolution is determined based on the votes of Tier 1 and a simple majority votes of Tier 2. If there is more than one (1) Large Shareholder, a simple majority of votes determine the outcome of the Tier 1 vote.

The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution.

However, the resolution is deemed to be defeated where the votes between the two-tiers differs or where Tier 1 voter(s) abstained from voting.

In obtaining the shareholders' approval, the NC should conduct an assessment of the Independent Directors(s) and recommend to the Board of Directors whether the Independent Director(s) should remain independent or be re-designated.

- iii) Deal with the matters relating to the continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the provisions of the law and their service contract.
- iv) Review the re-appointment of any non-executive director at the conclusion of his/her term of office having given due regard to his/her performance and ability to continue to contribute to the Board in terms of knowledge, skills and experience required.

Specific Nominations and Succession Planning

- i) Understand the current performance, competencies and potential of those in key positions in Key Senior Management in order to identify and develop plans for those key talents.
- ii) Recommend to the Board, the succession plans for Board Chairman, Directors, Principle Officers and/or Key Senior Management personnel, particularly for both Executive and Non-Executive Directors and the re-appointment of any Non-Executive Director at the conclusion of his or her specified term of office.
- iii) Recommend suitable candidates for the role of Senior Independent Director ("SID"), as applicable.
- iv) Establish a clear succession plan for Board Chairman, Directors of the Company, principal officers and/or Key Senior Management personnel, giving full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing by the Company, and the skills and expertise needed on the Board of Directors and by the Company/Group in future.

In terms of Key Senior Management, the NC may request detailed views from time to time (either in the form of a report or otherwise) and work together with the MD/ CEO and/or Key Senior Management of the Company to:-

- identify expected critical position vacancies and determine any future critical positions; and
- identify the gaps in current employees and develop individual development plans, coaching and monitoring programmes.

The Board should work with the NC to evaluate potential successors, taking into account the challenges and opportunities facing by the Company, and the skills and expertise, including diversity needed on the Board in the future.

Annual Performance Assessment of Board, Board Committees and Individual Directors

- i) Annually review the required mix of skills, experience, diversity and other qualities, including core competencies and effectiveness of the Board, as a whole, the Board Committees, tenure and the contribution of each individual Director. All evaluations carried out by the Committee in the discharge of its functions should be properly documented.

This process should be coordinated by the NC, with the assistance of the Company Secretary, and thus, reporting to the Board of Directors at the end of each financial year with an assessment of the Board's performance and areas in which the Board, Board Committees or individual Director could improve.

- ii) Annually review the time required of Non-Executive and Independent Directors to discharge their duties and responsibilities. Performance assessments should be undertaken to assess whether the directors are spending enough time to fulfill their duties.
- iii) Evaluate and appraise the performance of the Board Chairman.
- iv) Annually review the independence of the Independent Director and recommend to the Board whether the Independent Director(s) who has (have) exceeding the cumulative term of nine (9) years should remain independent or be re-designated.
- v) Annually review the performance of the MD/ CEO and CFO.
- vi) Annually review the term of office of the Audit Committee ("AC") and each of its members to determine whether the AC has carried out their duties in accordance with their terms of reference ("TOR").

Size of Board of Directors and Independent Directors

- i) Assess the desirable balance in Board membership by reviewing the size, structure and composition of the Board, taking into consideration the number of directorships and evaluate the need to bring new skills and perspective to the boardroom.
- ii) Assess desirable number of Independent Directors.
- iii) Consider the representation of interest groups as part of boardroom diversity. Factors to consider may include gender, race, religion, nationality, professional background and culture.

In developing its procedures and making recommendations to the Board, the NC will take into account of:-

- The provisions of the Company's Constitution, the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and other laws and regulations, if any, in respect of the appointment, removal, etc. of directors;
- The need for the Board to operate an open and transparent appointment process.

- This may include public advertisement or direct approaches being made to individuals who may be suitable or organisations that may be able to advise; and
- The overall composition and balance of the Board of Directors, including the participation of women on the Board and Senior Management.
 - The Board Diversity Policy, 'Fit and Proper' Standards/Criteria for Directors and Senior Management Staff and Succession Planning Policy.

•
Continuous Education / Development

- i) NC shall from time to time identify suitable orientation, educational and training programmes for continuous development of Directors.
- ii) To ensure all Directors receive appropriate continuous training programmes in order to keep abreast with developments in the industry and with changes in the relevant statutory and regulatory requirements.
- iii) To assess the AC members' knowledge on financial literacy.

Shareholders' Meeting

The Chairman of the NC should attend the Shareholders' Meeting to answer any shareholder's questions on the NC's activities, in particular on areas pertaining to proposed resolutions for shareholders to consider on the appointment of re-appointment of directors or the retention of an independent director who has served the Company for more than a cumulative term of nine (9) years.

Reporting Responsibilities

The Chairman of the NC shall report to the Board on its proceedings after each NC meeting. The NC shall make recommendations to the Board as appropriate on any area within its responsibility or as delegated by the Board, where action or improvement is needed. The NC shall produce a report to be included in the Company's annual report about its activities and the process used to identify and make appointments.

8. Rights and Authority

The NC shall:-

- i) have the resources which are required to perform its duties;
- ii) have full and unrestricted access to all information and documents as deemed appropriate for the discharge of its responsibilities to the Company;
- iii) have the right to obtain independent professional or other advice at the Company's expense, with prior consent of the MD/CEO to approve the budget;
- iv) have the right to invite any employees of the Group to attend NC meetings and to brief the NC on matters being deliberated;
- v) meet as and when required on a reasonable notice and have the right to regulate its own procedure on the calling of meeting; and
- vi) have the right to provide recommendations to the Board for consideration and approval.

9. Revision and/ or Updates

The NC should recommend any change to the TOR in such manner as the NC deems appropriate to the Board for approval.

The TOR of NC shall be assessed, reviewed and updated from time to time in accordance to any revisions to amongst other the Malaysian Code of Corporate Governance, Main Market Listing Requirements of Bursa Securities or any other regulatory requirement that may have an effect on the NC's responsibilities.

It shall also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the NC's roles and responsibilities.