

HO HUP CONSTRUCTION COMPANY BERHAD
TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

1.0 Introduction

The objective of the Nomination Committee is to ensure that the appointed Directors bring to the Board, a mix of skills and expertise necessary to meet the requirements of corporate stewardship. The Nomination Committee will also assist the Board in reviewing, on an annual basis, the appropriate balance and size of Non-Executive Directors' participation and in establishing procedures and processes towards an annual assessment of the effectiveness of the Board as a whole and contribution of each individual Director and Board Committee member.

2.0 Members

2.1 Composition

The Committee shall be appointed by the Board of Directors and shall consist of not less than 2 members of which comprising exclusively non-executive directors, the 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 of Directors 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.

2.2 The Chairman

The Chairman shall be elected by the Committee from among their members.

3.0 Functions

The Committee shall:-

- i. recommend the Board of Directors, new candidates for all directorships recommended by the shareholders or the Board of Directors. In making its recommendations, the nomination committee should consider the candidates':-
 - skills, knowledge, expertise and experience;
 - professionalism;
 - integrity; and
 - in the case of candidates for the position of independent non-executive directors, the nomination committee should also evaluate the candidate's ability to discharge such responsibilities/functions as expected from independent non-executive directors;
- ii. consider, in making its recommendations, candidates for directorships proposed by the Executive Director and, within the bounds of practicability, by any other senior executive or any director or shareholder;

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- iii. make recommendations to the Board on the appointment or re-appointment of Directors including Directors who are retiring for re-election during the Annual General Meeting of the Company;
- iv. recommend to the Board of Directors, directors to fill the seats on Board Committees established by the Board;
- v. assess annually the effectiveness of the board as a whole, the committees of the board and the contribution of each existing individual director and thereafter, recommend its findings to the Board of Directors;
- vi. assess on an annual basis, the independence of the Independent Non-Executive Directors;
- vii. ensure that all directors undergo appropriate induction programs and receive continuous training;
- viii. review the succession plans for Directors and give full consideration in particular the course of its work, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the board in the future;
- ix. oversee appointment, management succession planning and performance evaluation of key senior officers, and recommending to the Board of Directors the removal of key senior officers if they are ineffective, errant and negligent in discharging their responsibilities;
- x. review annually the required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the board and thereafter, recommend its findings to the Board of Directors;
- xi. take the necessary steps to ensure that women candidates are sought as part of the Company's recruitment exercise to meet the gender diversity policy recommended by the Malaysian Code on Corporate Governance 2012; and
- xii. apply the process as determined by the Board of Directors, for assessing the effectiveness of the board as a whole, the committees of the board, and for assessing the contribution of each individual director, including independent non-executive directors, as well as the chief executive officer where all assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented.

4.0 Structures and Procedures

The Committee should meet regularly, 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 be entitled to the services of a secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Board of Directors, both the Company's own records and for the purposes of meeting statutory

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requirements, as well as obligations arising from the Listing Requirements of Bursa Malaysia Securities Berhad and/or other regulatory authorities.

5.0 Circular Resolutions

A resolution in writing signed by ALL shall be as valid and effectual as if it had been passed at a Meeting of the Nomination Committee duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more Nomination Committee Members. Any such document, may be accepted as sufficiently signed by a Nomination Committee Member if transmitted to Company by telex, telegram, cable, facsimile or other electrical or digital written message purporting to include a signature of a Nomination Committee Member.

6.0 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.