

FARLIM GROUP (MALAYSIA) BHD

Nomination Committee's Terms of Reference

1. Composition

The Nomination Committee ("NC") should comprise exclusively Non-executive Directors, a majority of whom are Independent Directors. An Independent Director or the Senior Independent Director should chair the NC. The Chairman of the Board should not be a member of the NC.

A vacancy that causes the members of the Committee to be less than the above requirement shall be filled out within three months.

2. Quorum

The majority of the members who are the Independent Directors present in a meeting shall constitute a quorum.

3. FUNCTIONS

The NC shall carry out the following functions and report to the Board:

- (a) Consider, evaluate, and recommend candidates for directorships based on criteria set under the Company's Fit and Proper Policy;
- (b) Review and recommend a board composition comprising members with appropriate skillsets, diversity, expertise, and experience that meet the needs of the Company, the regulatory requirement, and the governance best practices;
- (c) Oversee the Board and key management succession and the development of these succession plans;
- (d) Assess the board composition and its effectiveness and compliance with the regulatory requirements ;
- (e) Review and evaluate the performance and effectiveness of the Board and the Board Committees annually;
- (f) Assess and ensure that the Board members and key senior management have the character, experiences, integrity, competency, and time to effectively discharge their roles and responsibilities and contribute to the Board annually;
- (g) Recommend the retention of Independent Non-Executive Directors whose terms have exceeded nine (9) years tenure for continuance in the office with justification and through a two-tier shareholder voting process;

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- (h) Ensure annual re-election of a director is subject to satisfactory evaluation of their performance and contribution to the Board;
- (i) Review the term of office and performance of all Board Committees and its members annually to assess whether the Committees and their members have carried out their duties in accordance with their terms of reference; and
- (j) Ensure a statement regarding the activities of the NC in the financial year, and the reason for not using other external sources for sourcing new directors are disclosed in the Annual Report based on the listing disclosure requirements.

4. MEETING AND ATTENDANCE

The Committee shall meet at least annually. On the request of any member, the Secretary shall summon a meeting at any time by giving all members seven days' notice in writing. With the consent of the majority of the NC members, a meeting may be convened with shorter notice.

Non-NC members, such as other Board members, employees, and auditors, may attend meetings at NC's invitation.

5. REVIEW OF TERMS OF REFERENCE

These terms of reference shall be reviewed annually to ensure that they are consistent with the Board's objectives, current regulatory requirements, and corporate governance best practices. Amendments to the terms of reference shall be approved with a board resolution.