

SENG FONG HOLDINGS BERHAD

Registration No. 202101022910 (1423210-X)

TERMS OF REFERENCE OF THE NOMINATING COMMITTEE

1. OBJECTIVES

1.1 The primary function of the Nominating Committee (“the Committee”) formed by the Board of Directors (“Board”) is to assist the Board in reviewing the structure, size and composition of the Board and senior management, based on the following principles:

- (a) ensure the Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties in meeting the Company’s goals and objectives;
- (b) ensure an appropriate framework and succession plans to achieve diverse talent pipeline for the Board and senior management;
- (c) ensure the appointment of Board members and senior management are based on objective criteria such as diversity in skills, experience, expertise, professionalism, integrity, age, gender and background; and
- (d) ensure the composition of the Board is refreshed periodically.

2. MEMBERSHIP

2.1 Members of the Nominating Committee shall be appointed by the Board amongst its Directors and shall comprise at least three (3) members, all of whom must be Non-Executive Directors, and a majority of whom must be Independent Non-Executive Directors.

2.2 The Chairman of the Board must not be a member of the Committee.

2.3 Where the members of the Committee for any reason are reduced to less than three (3), the Board shall based on the recommendation of the Nominating Committee, within three (3) months from the occurrence of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

3. CHAIRPERSON

3.1 The Chairperson of the Committee shall be an Independent Non-Executive Director or the Senior Independent Non-Executive Director.

3.2 In the absent of the Chairperson of the Committee or if he is not present at any Committee meeting within fifteen (15) minutes of the appointed for holding the same, the other members of the Committee shall amongst themselves elect a Chairperson who must be an Independent Non-Executive Director to chair the meeting.

4. SECRETARY

4.1 The Company Secretary shall be the Secretary of the Committee.

4.2 The Company Secretary, in consultation with the Chairperson of the Committee, shall draw up the agenda of the meeting. The agenda, together with the relevant support papers, shall be circulated at least five (5) business days, or shorter notice where it is unavoidable prior each meeting to the members of the Committee.

5. QUORUM AND MEETING PROCEDURES

5.1 The Committee shall meet at least once a year or as and when the Committee deems necessary to fulfil its responsibilities.

5.2 The Committee meeting may be held at two (2) or more venues within or outside Malaysia using any technology that enables all persons to participate for the entire duration of the meeting. The technology to be used for the purpose of the meeting must be such that all persons taking part in the meeting must be able to communicate simultaneously with each of the other persons taking part in the meeting and may include telephone, television, video conferencing or any other audio and/or visual device which permits instantaneous communication.

5.3 A virtual meeting shall be deemed to constitute Committee meeting provided the following conditions are met:-

(a) all the Committee members for the time being entitled to receive notice of the Committee meeting shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as may be permitted by the Constitution of the Company; and

(b) a Committee member may not leave a virtual meeting by disconnecting from the technology used unless he/she has previously expressly notified the Chairperson of the meeting of his/her intention to leave the meeting and a Committee member shall be conclusively presumed to have been present and have always formed part of the quorum during such a meeting until such notified time of his/her leaving the meeting.

- 5.4 The main venue of the meeting shall be the place where the Chairperson is present or the Chairperson of the meeting is present, if the meeting is not chaired by the Chairperson.
- 5.5 The quorum for the meeting shall be two (2) members.
- 5.6 The Committee may, as and when deemed necessary, invite any Board members or any member of Management or consultants, who the Committee thinks fit, to attend its meetings to assist and provide pertinent information as necessary.
- 5.7 A matter put to vote at the Committee meetings shall be decided by a simple majority of the votes. In the event of an equality of votes, the Chairperson has the casting vote.
- 5.8 A member of the Committee who has an interest or is involved directly or indirectly in any matter under consideration by the meeting, shall abstain from deliberating and voting.

6. MINUTES

- 6.1 The Company shall cause minutes of all proceedings of the Committee meeting to be entered in books for that purpose. Minutes of each meeting shall be signed by the Chairperson of the meeting at which proceedings were held or by the Chairperson of the next succeeding meeting.
- 6.2 Minutes shall be kept by the Company at the Registered Office and shall be open for inspection by any Committee member or Board member.
- 6.3 The minutes of each Committee meeting shall be distributed to the Board members for notation.

7. CIRCULAR RESOLUTIONS

- 7.1 A circular resolution in writing signed by a majority of the Committee members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.
- 7.2 The circular resolution may consist of several documents in like form, each signed by one (1) or more Committee members. Such document may be accepted as sufficiently signed by a Committee member if it is transmitted to the Company by facsimile or other electrical or digital written message, which include a signature of the said Committee member.

8. REPORTING

8.1 The Committee, through its Chairperson, shall report a summary of significant matters to the Board at the next Board meeting after each Committee meeting. When presenting any recommendations to the Board for approval, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.

9. AUTHORITY

9.1 The Committee shall in accordance with a procedure to be determined by the Board and at the expense of the Company: -

- (a) have the resources which are required to perform its duties;
- (b) have full and unrestricted access to all information and documents within the Group to perform its duties; and
- (c) obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary.

10. DUTIES AND RESPONSIBILITIES

10.1 The duties and responsibilities of the Committee are as follows: -

- (a) Identify, consider and recommend to the Board suitable candidates for appointment of Directors. The Committee does not solely rely on recommendations from existing board members, management or major shareholders, but will also utilise independent sources to identify suitably qualified candidates. In making the recommendations, the Committee shall:-
 - (i) assess the candidates' expertise, skills, knowledge, experience, professionalism, commitment, contribution, performance, integrity, competence and character;
 - (ii) consider board diversity including age and gender;
 - (iii) in the case of candidates for the position of Independent Non-Executive Directors, evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors; and

- (iv) In the case of candidates filling seats in respect of the Audit and Risk Committee in particular, to ensure the candidate is financially literate and possesses a wide range of necessary skills to discharge his/her duties.

If the selection of candidates was solely based on recommendations made by existing Board, management or major shareholders, the Committee should explain why other sources were not used.

- (b) Recommend to the Board the re-election of Directors who retired by rotation pursuant to the Company's Constitution and re-appointment of Directors who retired pursuant to relevant sections of the Companies Act, 2016.
- (c) Assess and recommend to the Board's approval, new and reappointed nominees (where applicable) for directorship, Chairmanship and/or membership to the respective Board Committee;
- (d) Recommend to the Board any appointment, cessation, suspension, dismissal and/or any staff movement including re-designation, re-deployment, transfer or secondment of senior management of the Group.
- (e) Assess and review on an annual basis the effectiveness of the Board as a whole, Board Committees, and the contribution of each individual Director and Chief Executive Office including his/her character, competence, experience, gender diversity and commitment. All assessments and evaluation carried out by the Committee in the discharge of its duties shall be disclosed in the Annual Report.
- (f) Review the tenure of each director and ensure that the annual re-election of a director is based on satisfactory evaluation of the director's performance and contribution to the Board.
- (g) Evaluate and review annually the performance of the Board including the performance of the Board in addressing the company's material sustainability risks and opportunities. Whereas for senior management, the performance assessment is conducted by the Managing Director. Thereafter, the Managing Director recommends the assessment results to the Committee for review.
- (h) Review and assess the independence of Independent Directors on an annual basis and that the Directors meet the identified independence criteria and are not disqualified under the relevant regulations.

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Terms of Reference of the Nominating Committee

- (i) Review Board and senior management succession plans and overseeing the development of a diverse pipeline for Board and management succession, including the future Chairman, Executive Directors and the Group's Chief Executive Officer.
- (j) Consider and recommend to the Board for approval, the appropriate size of the Board and Board Committees to facilitate effective decision making after taking into consideration the scope and nature of the operations of the Group.
- (k) Establish gender diversity policy for the Board and senior management and to ensure that the Company takes concrete action to achieve the numerical targets as stated in the policy.
- (l) Facilitate Board induction programme for newly appointed Directors.
- (m) Review and recommend to the Board, the development and implementation of the relevant policies and procedures on nomination related matters concerning the Group.
- (n) Identify suitable educational and training programmes for continuous development of Directors to ensure the Directors keep abreast with development in the industry, regulatory changes and board business trends.
- (o) Review annually the term of office, effectiveness and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.
- (p) Consider and examine such matters as the Committee considers appropriate.
- (q) Review periodically the job descriptions of Executive Directors and senior management.
- (r) Carry out such other duties or functions as may be delegated by the Board from time to time or required by the regulatory authority.
- (s) Review the attendance of the Board at the Board Committee(s) meeting.

11. REVIEW OF THE WRITTEN TERMS OF REFERENCE

- 11.1 Any amendments to these terms of reference to be approved by the Board. These terms of reference will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Committee's responsibilities.
- 11.2 These terms of reference were reviewed and approved by the Board on 9 October 2024 and is made available for reference on the Company's website.