



SENHENG NEW RETAIL BERHAD
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TERMS OF REFERENCE: NOMINATION COMMITTEE

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1.0 Objectives

The principal objectives of the establishment of the Nomination Committee ("NC" or the "Committee") are to assist the Board of Directors ("Board") of Senheng New Retail Berhad (the "Company") and its group of companies (collectively referred to as the "Group" hereinafter) in discharging its statutory duties and responsibilities relating to Board succession planning, including recruiting, and recommending new appointment of Board members to the Board and / or the Group to ensure the effectiveness of the Board as a whole and performance of the Directors on an ongoing basis.

The objective also includes to support the Board's yearly evaluation of the Board's proper size and composition, including the appropriateness of non-executive participation as well as assessing the mix of knowledge, experience, abilities, and duties that the Board must possess.

2.0 Composition of the Committee

The NC members shall be appointed by the Board from amongst its members, comprising of at least three (3) members, all of whom shall be Non-Executive Directors, with a majority of them being Independent Directors.

In the event of any vacancy in the Committee resulting in the number of members is reduced to below three (3), the vacancy must be fulfilled within three (3) months from the occurrence of the event to fulfil the minimum requirements.

NC members may renounce their membership in the Committee with early written notice to the Company Secretary. The appointment of a NC member terminates when the member ceases to be a Director.

3.0 Chairman of the Committee

The position of Executive Chairman of the Board and the Committee shall be held by different individuals. The Chairman of the Committee must be an Independent Director or a Senior Independent Director and elected amongst the members of the Committee.

The Chairman should act as the key contact between Board members and Committee members as well as Senior Management, or relevant functions within the Group.

The duties of Chairman of the NC, amongst other, are listed below:

- Planning and conducting meetings.
- Overseeing the reporting to the Board.
- Encouraging open discussion during meetings.
- Developing and maintaining active on-going dialogue with Senior Management and / or relevant functions within the Group;
- Lead a succession planning and appointment of Directors, and oversee the development of a diverse pipeline for Board and Management succession, including the future Executive Chairman and Executive Directors; and

- Lead the annual review of Board effectiveness, ensuring the performance of each individual Director, Board Committees and Chairman of the Board are independently assessed.

4.0 Rights of the Committee

The NC is authorised by the Board and at the expense of the Group, shall have access to adequate resources and authority to discharge its duties and responsibilities, including seeking legal or other professional advice from independent legal advisors, experts, or consultants, as it deems appropriate or necessary.

The Committee may invite other Directors, members of Management, counsels, etc. as appropriate, to participate at Committee meetings to assist the Committee to carry out their responsibilities and duties effectively.

5.0 Functions and Duties of Committee

All main functions and responsibilities of the NC shall include, but are not limited to the following:

- To review the Board and Senior Management's succession plans and make recommendations to the Board as well as oversee succession planning policy for the Board Executive Chairman and Senior Management. The Executive Chairman shall aid the Committee in maintaining succession planning framework, talent management and human capital development programme.
- To identify, assess and recommend to the Board suitable candidates for appointment as Directors, appropriate number of Directors to comprise the Board which should fairly reflect the investments of the minority shareholders in the Group, as well as candidates to fill the Audit and Risk Management Committee, Remuneration Committee and NC, after taking into consideration the following attributes of candidates:
 - skills, qualifications, knowledge, expertise, experience, professionalism, and integrity;
 - commitment which includes time commitment;
 - in the case of the candidates for the position of Independent Non-Executive Directors, the Committee would also evaluate the candidates' ability to discharge such responsibilities as expected from Independent Non-Executive Directors; and
 - the Board's diversity in terms of age, gender, and cultural background.

Further details on the review and assessment of candidates that are appointed onto the Board as well as Directors who are seeking election or re-election can be found in the Group's Guidelines on Fit and Proper Person.

- To ensure that a formal letter of appointment

setting out clearly the expected time commitment, Board Committee involvement, involvement outside Board meetings and protocol for accepting new directorships is provided to the Non-Executive Directors upon appointment to the Board.

- To review annually the structure, size, balance, and composition of the Board to ensure that the Board have the appropriate mix of skills, independence, experience, and other qualities including core competencies to function effectively and efficiently.
- To review and determine on an annual basis, the independence of Independent Directors.
- To develop the criteria for assessing the independence of Independent Directors and criteria to be used in the annual assessment of the Board, Board Committees and Directors.
- To take into account and suggest any policy or procedure pertaining to the terms of office of Board Committee members, including Chairmen of Board Committees, Independent Directors, and Non-Executive Directors.
- To review and suggest to the Board the appointment, evaluation, resignation, disciplinary actions, and termination of the Executive Chairman position.
- To recommend to the Board, the protocol for accepting new directorships.
- To review the tenure of each Director annually.
- To review the term of office and performance of the Board Committees and each of their members annually to determine whether the Board Committees and members have carried out their duties in accordance with their respective terms of reference.
- To review the Committee's own performance annually and present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.
- To annually review the performance of the Board and Senior Management in addressing the Company's material sustainability risks and opportunities.
- To evaluate and appraise the performance of the Board as a whole, the committees of the Board as well as the contribution / performance of each individual Director, on an annual basis. Criteria's that shall be used in the annual assessment should include:
 - A commitment to serving the Company, due diligence, and integrity;
 - the confidence to stand up for a position;
 - contribution and performance, caliber, and personality are all important factors; and
 - will and capacity to critically challenge and ask the correct questions.
- To deliberate and recommend any termination or removal of Director (if necessary) due to appropriate reasons in accordance with the relevant laws and regulations.

- To ensure that every Director, including the Executive Directors, is subject to retirement by rotation at least once every three (3) years. Retiring Director is eligible for re-election. To recommend to the Board, the Directors who are subject to rotation and ensure that the re-election is upon satisfactory evaluation of the Director's performance and contribution.
- An Independent Non-Executive Director shall not serve for more than nine (9) years in total. Upon completion of the 9 years, a Non-Executive Independent Director may continue to serve on the Board as a Non-Independent Director.
- If the Board intends to retain an Independent Director beyond 9 years, proper justifications are required, and annual shareholders' approval is sought through a two-tier voting process.
- An Independent Non-Executive Director must not serve in the Company and/or in any one or more of the Company's related corporations for a cumulative period of more than twelve (12) years from the date of his/her first appointment as an Independent Director.
- To facilitate and recommendation suitable orientation, educational and training programmes to ensure Directors receive appropriate continuous training in order to maintain an adequate level of competency to discharge their responsibilities and performance.
- To deliberate and review the appointment of Senior Management to be recommended to the Board for approval.
- To ensure the appointment of Senior Management is based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.
- To consider and examine such other matters as the Committee considers appropriate.
- To consider any other matters as delegated by the Board.

6.0 Disclosure and Reporting

Ensure that a statement on its activities in the discharge of its nomination duties for the financial year is included in the Group's annual report pursuant to Paragraph 15.08A(3) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

7.0 Quorum and Meeting

The quorum necessary for the meeting shall be two and the majority of members present must be Independent Directors. In the absence of the Chairman of the Committee, the Committee members who present shall elect one (1) of their number of whom is an Independent Director to be the Chairman of the meeting.

The Committee shall meet at least once in each financial year, and additional meetings may be called and convened by the Chairman of the Committee, or at the requisition of other Committee members with the Chairman's discretion, to discuss matters within its terms of reference. Attendance of other Directors, Management, or external parties (i.e., external legal or other independent professional) at any particular Committee meeting shall be at the invitation of the Committee.

Any committee member who is unable to be present physically at a meeting may participate the meeting using any technology that enables all Committee members as a whole to participate for the entire duration of the meeting which may include telephone, television, video conferencing, or any other audio and/or visual device which permits instantaneous communication. Such member would be deemed to be present at the meeting.

Notice and agenda of the Committee meetings shall be circulated to all Committee members at least seven (7) days prior to each Committee meeting. A shorter notice may be circulated to the Committee members provided it is agreed by the Chairman and all members.

The Chairman will be in charge of setting the agendas for meetings, with assistance from the Company Secretary and input from the Committee members. Where necessary, Management or other people judged suitable to participate in this process that provided feedback shall be included into the agenda.

In place of formally calling a meeting, the Committee may occasionally and as needed, review, approve, and/or recommend pertinent topics by a Circular Resolution. The Circular Resolution shall have the same legal force and effect as if it had been approved by a regularly called meeting of the Committee. All Committee members must sign or approve any approval of the Committee acquired through a Circular Resolution. Please refer to the Group's Board Charter for further information on the approval of a Circular Resolution.

Majority of votes of the members present at the meeting shall be the decision of the Committee. In the case of equality of votes, the Chairman of the Committee shall have a second or casting vote. Members of the Committee is refrained from deliberations and voting regarding all or any matter that may lead to an expected or actual conflict of interest situations.

8.0 Company Secretary

The Company Secretary or his/her representative or other appropriate senior officer shall act as Company Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to Committee members prior to each meeting.

The Company Secretary should also ensure the Committee meetings are arranged and held accordingly as well as maintain structured communication channels between Board and the Committee.

The Company Secretary or his/her representative or other appropriate senior officer shall also be in attendance at each Committee meeting and responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.

9.0 Review of Performance Assessment

In order to assess the effectiveness of the members in performing the roles as stated in these terms of reference, the Committee shall conduct a self-assessment on an annual basis. The Nomination Committee shall review the term of office and performance of the Committee and each of its members annually to determine whether the Committee and its members have carried out their duties in accordance with the terms of reference and report to the Board accordingly.

The Board's role in reviewing the assessment of the members in the NC is to ensure that the Committee has enough, new, and appropriate skills and expertise as well as the right balance and composition in order to perform their roles in the most effective manner.

10.0 Minutes of the Meetings

The meeting minutes should record the discussions and decisions of the Committee based on the agenda during all meetings held by the Committee including any matters relating to Circular Resolution. Minutes of the Committee meeting shall be signed by Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

Minutes of each Committee meeting shall be tabled to the Board for notation and all minutes shall be kept at the Registered Office of the Company. Minutes of each meeting should be distributed accordingly via email to each member of the Committee. The Chairman of the Committee should also update the Board on the activities of the Committee during Board meetings.

Any resolution in writing signed or copies thereof signed or approved by telefax, electronic mail or any other electronic form by all the Committee members, shall be valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more of the Committee members.

11.0 Review of the Terms of Reference

Review of the terms of reference shall be done periodically or whenever is needed. Any modification to the Committee's terms of reference must be recommended to the Board for approval in the way that the Committee deems appropriate. The terms of reference will be evaluated, reviewed, and amended as needed, for example, when the Malaysian Code on Corporate Governance, Bursa Securities' MMLR, or any other regulatory requirements changes.

When the Group makes changes to its direction or strategies that could have an impact on the Committee's role, it shall also be evaluated and revised.