



**NEW HOONG FATT HOLDINGS BERHAD**  
Registration No. 199701010213 (425709-K)

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# TERMS OF REFERENCE OF NOMINATION COMMITTEE

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Current Review Date: 25 November 2024

**NEW HOONG FATT HOLDINGS BERHAD**  
**TERMS OF REFERENCE OF NOMINATION COMMITTEE**

**MEMBERS:**

- Oei Kok Eong, Senior Independent Non-Executive Director (Chairman)
- Chia Swee Yuen, Independent Non-Executive Director
- Ng Chee Kiet, Independent Non-Executive Director

**TERMS OF REFERENCE:**

**1. Composition**

- (a) The members of the Nomination Committee (“NC”) of New Hoong Fatt Holdings Berhad (“the Company”) shall be appointed from amongst the Board of Directors (“the Board”) and shall:
- (i) comprise of no fewer than two (2) members; and
  - (ii) comprise exclusively of Non-Executive Directors, a majority of whom are independent.
- (b) The appointment of NC member will terminate when the member ceases to be a Director of the Company, or as determined by the Board.
- (c) If a NC member resigns, dies or for any other reason ceases to be a member resulting in the number of members reduced below two (2), the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of two (2) members.
- (d) The performance of the NC and each of its members shall be reviewed by the Board annually to determine whether the NC and its members have carried out their duties effectively.
- (e) the NC Chairman shall be the Senior Independent Non-Executive Director who is identified and appointed by the Board.
- (f) The Chairman of the Board should not be a NC member.
- (g) The Company Secretaries or their nominee, or such other person authorised by the NC shall act as the Secretary of the NC.

**2. Functions and Duties**

**2.1 Appointment of Directors and Key Senior Management**

- (a) Maintain and review, for the Board’s approval, the criteria to be used in the recruitment and screening process of Directors that take into account the following:
- The candidates’ diversity of qualities and skills, such as:
    - character and integrity: probity, personal integrity, financial integrity, reputation;
    - experience and competence: qualifications, training and skills, relevant experience and expertise, relevant past performance or track record; and
    - time and commitment: ability to discharge their role having regard to their participation and contribution to the Board and other commitments. Directors must not hold more than five (5) directorships in public listed companies at any one time to ensure that they would be able to devote sufficient time and commitment to the Company.

- Diversity of the Board includes the balance of executives and non-executives Directors on the Board, gender, age, tenure, cultural diversity and international expertise where appropriate. There shall be no discrimination of whatsoever nature in respect of age, race or ethnicity during the selection process;
  - In the case of candidates for the position of Independent Non-Executive Directors, the candidates' independence (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad) and ability to discharge such responsibilities or functions as expected from them; and
  - The nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business that the candidates have with the Company or its subsidiaries ("the Group").
- (b) When there is a vacancy on the Board seat or there is a need to have additional Directors on the Board, NC shall search across a diverse candidate pool to identify and evaluate potential candidates based on the recruitment criteria set out in the Directors' Recruitment & Fit and Proper Policy and make recommendations to the Board accordingly.

Candidates may be proposed by the Chairman and/or Managing Director and within the bounds of practicability, by any Director, shareholder or senior management personnel. The NC may also utilise independent sources to identify suitably qualified candidates.

- (c) Ensure that all newly appointed Directors are appropriately orientated on the Group's corporate strategy, objectives, goals and expectations.
- (d) For Key Senior Management positions, review the selection criteria, amongst others:
- Character, skills, knowledge, expertise, experience, gender and age;
  - Compatibility with the Group's core values and Leadership and Management Expectations.

After evaluating the candidates against the established criteria and taking into consideration the Management's recommendations, the NC shall submit its recommendations to the Board for the appointment of Key Senior Management.

## **2.2 Assessment and evaluations of Directors and Key Senior Management**

- (a) Annually review the appropriate size and composition of the Board, the required mix of skills, current diversity level, experience and other qualities, including core competencies that Non-Executive Directors should bring to the Board.
- (b) Annually assess the performance and effectiveness of the Board as a whole, all Board Committees and the contributions of each individual Director, including the term of office and performance of the Audit and Risk Management Committee and its member, as well as the position of the Senior Independent Non-Executive Director.
- (c) Evaluate Directors who are subject to re-election or re-appointment at the Annual General Meeting of the Company with due regard to their performance, ability to continue to contribute to the Board, as well as fit and proper considerations.
- (d) Assess the independence of the Independent Non-Executive Directors, including reviewing the criteria for assessing their independence.
- (e) Take note of continuous training programmes attended by all Directors.

- (f) Ensure that the annual performance evaluation of Key Senior Management is undertaken and reviewed, and provide feedback and recommendations as necessary.
- (g) Report to the Board all the results of the above assessments and evaluations.

### **2.3 Succession Planning**

- (a) Review the Succession Planning Policy and the succession planning for Directors and Key Senior Management personnel, taking into account, amongst others, the challenges and opportunities facing the Group, the skills and experience needed in the future, as well as the individual Directors' tenures.

### **2.4 Others**

- (a) Review and assess the adequacy and relevance of its Terms of Reference and Directors' Recruitment & Fit and Proper Policy annually and recommend any changes it considers necessary to the Board for endorsement.
- (b) The NC Chairman shall attend the Annual General Meeting of the Company to respond to any question that may be raised by shareholders on the NC activities or matters within its area of responsibility.
- (c) Consider other matters as delegated by the Board.

## **3. Rights**

- (a) In carrying out its tasks under this Terms of Reference, the NC has the right to seek any information it requires from employees, Management and external parties.
- (b) The NC may obtain independent professional or other external advice at the expense of the Company, with prior consent of the Board.

## **4. Meetings**

- (a) The NC shall meet at least once in each financial year and report its recommendations, findings or decisions to the Board after each meeting.
- (b) Reasonable notice of meetings, the agenda of the business to be conducted and the accompanying meeting papers, shall be given to members of the Committee at least one (1) week before each meeting.
- (c) The quorum for a meeting shall be two (2) members, provided that the majority of members present at the meeting shall be Independent Directors.
- (d) In the absence of the NC Chairman, the other NC members shall amongst themselves elect an Independent Director to chair the meeting.
- (e) A circular resolution in writing signed by the NC members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a NC meeting duly convened. Any such resolution may consist of several documents in like form, each signed by one (1) NC member or more and shall include signed copies via legible facsimile transmission or other written electronic means.
- (f) The Secretary of the NC shall attend the meetings and minute the proceedings thereof. The draft minutes shall be circulated to all members of the Committee for comment and approval within 30 days after the meetings. The approved minutes shall then be made available to Board members who are not NC members for notation. The NC must ensure that the minutes accurately reflect the deliberations and decisions made, including whether any members abstained from voting or deliberating on a particular matter.

- (g) Any NC member may participate in any NC meeting via telephone conferencing, video conferencing or by means of any communication technology which allows all participants in the meeting to communicate with each other. A member so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- (h) The NC may extend an invitation for other Directors, Management or external advisers to attend meetings or be present for a particular agenda as and when appropriate.

## **5. Disclosure**

The NC shall provide a statement about its activities for the financial year in the Annual Report of the Company, including:

- (a) The policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of the Company;
- (b) The Board nomination and election process of Directors and criteria used by the NC in the selection process; and
- (c) The assessment undertaken by the NC in respect of the performance of the Board, committees and individual Directors together with the criteria used for such assessment.

## **6. Review of the Terms of Reference**

The Terms of Reference of the NC should be reviewed annually and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the duties and responsibilities of the NC.

The Terms of Reference of NC is made available on the website of the Company at [www.newhoongfatt.com.my](http://www.newhoongfatt.com.my).