

TEO SENG CAPITAL BERHAD
(Registration No. 200601013011 (732762-T))

**TERMS OF REFERENCE OF NOMINATION COMMITTEE AND
NOMINATION POLICIES AND PROCEDURES**

1. Objective

The primary objective of the Nomination Committee (“the Committee”) is to propose new nominees as Board members of the Company and the actual decision on the appointment shall be the responsibility of the full Board after considering the recommendations of the Committee.

2. Composition

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

The Chairman of the Committee shall be an Independent Non-Executive Director appointed by the Board amongst the members of the Committee. If a member of the Committee resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below two (2), the Board shall appoint such number of new members as may be required to make up the minimum number of two (2) members within three (3) months from the date of that event.

The Company Secretary shall be the Secretary of the Nomination Committee meeting.

3. Authority

- 3.1. The Committee is authorised to seek any information it requires from management of the Company in order to perform its duties.
- 3.2. The Committee is authorised to call for any appropriate person or persons to be in attendance to make presentations or furnish or provide independent advice on any matters within the scope of responsibilities.
- 3.3. The Committee is authorised by the Board to obtain, at the Company’s expense, external legal or other professional advice on any matters within its terms of reference.

4. Duties and Responsibilities

- 4.1. The Committee shall review the succession plans for Directors and Key Management Personnel to ensure and maintain an appropriate balance of skills, experience and knowledge which is required for the Company’s businesses and the Committee will make recommendations to the Board with regard to any adjustments that are deemed necessary;

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- 4.2. The Committee shall 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 to recommend its findings to the Board;
- 4.3. The Committee shall apply the process as determined by the Board, 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 Key Management Personnel where all assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented and recommend its findings to the Board;
- 4.4. The Committee shall assess and recommend suitable candidate for Directorship to the Board, leverages on several sources and recommendation from existing Board Members, Key Management Personnel and/or major shareholders to gain access to wide pool of potential candidate.
- 4.5. The Committee shall review the induction and training needs of Directors under the continuing education programmes; and
- 4.6. The Committee shall provide, in its report, a statement on its activities for the financial year in compliance with the Listing Requirements of the Bursa Malaysia Securities Berhad and/or any relevant regulations.

5. Meeting and Quorum

The Committee shall meet as and when is necessary. The quorum shall be at least 2 members with majority of Independent Directors. In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position. The Nomination Committee may from time to time and if deemed appropriate, consider and approve and/or recommend relevant matters via a Circular Resolution in writing in lieu of formally convening a meeting. The Circular Resolution signed by a majority of the Nomination Committee members shall be as valid and effectual as if it has been passed by a meeting of the Nomination Committee duly convened. Any such resolution may consist of several documents in like form each signed by one (1) or more Committee members. Any such document may be accepted as sufficiently signed by a Committee member if transmitted to the Company by email, facsimile or other electrical or digital written message/application to include a signature of a Committee member.

6. Nomination Policies and Procedures

- 6.1. The Committee shall establish a documented, formal and transparent procedure to support and advise the Board of Directors ("the Board") in fulfilling their responsibilities to shareholders by ensuring the Board are comprised of individuals with an optimal mix of qualifications, skills, experience, independence and diversity

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(including gender diversity). An annual review of the mix of skills, knowledge, experience and other core competencies of the Board shall be made by the Nomination Committee.

6.2. The Committee should develop, maintain and review the criteria to be used in the recruitment process and making its recommendations on suitable candidates for directorships as proposed by key management personnel or any director or shareholder to the Board for election/appointment to the Board or to fill board vacancies as and when they arise. In making its recommendations, the Committee should consider the candidates characteristics as below: -

- skills, knowledge, expertise and experience;
- professionalism;
- integrity; and
- in the case of candidates for the position of Independent Non-Executive Directors, the Committee should also evaluate the candidate's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors;

The Committee shall recommend to the Board concerning the retirement and re-appointment of director to the Board pursuant to the provisions in the Company's Constitution.

6.3. The Committee through the nomination process should assist the Board and Board Committees in reinforcing its independence:

- (a) where the tenure of an Independent Director has a cumulative term of more than or almost nine (9) years, then to provide relevant justifications when seeking shareholders' approval in the event of the Committee's recommendation is to retain the individual as an Independent Director of the Company;
- (b) if the Board continues to retain the Independent Director after the 12th year, shareholders' approval will be sought through a 2-tier voting process at the Company's general meeting;
- (c) majority of the Audit Committee ("AC") members must be Independent Director with number of not fewer than 3 members. If a former key audit engagement partner of the existing or outgoing external audit firm is nominated, he or she is required to observe a cooling-off period of at least 2 years before appointment as Board member in accordance with the AC term of reference.

7. Revision and Updates

This Terms of Reference will be reviewed and updated as and when necessary to ensure it remains consistent with the Committee's objectives and responsibilities.

Reviewed and approved by Board of Directors ("BoD") on BoD Meeting as at 17 April 2020.