

SHH RESOURCES HOLDINGS BERHAD

(Company No: 304227-U)

TERMS OF REFERENCE OF THE NOMINATING COMMITTEE

CONSTITUTION

The Nominating Committee was established by the Board of Directors to assist the Board to fulfil its responsibility to shareholders to ensure that the composition of the Directors of the Company have the desired mix of expertise, competencies and experiences for an effective Board and the Company adopts a proactive approach to succession planning.

TERMS OF REFERENCE

1. Objectives

- 1.1. The Committee is primarily responsible for the identification of the desired mix of expertise, competencies and experiences for an effective Board and the assessment of the performance of the members of the Board.
- 1.2. The Committee is to ensure that appropriate procedures are adopted and followed in the nomination, selection, training, evaluation and re-election of Directors and for succession planning, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the board in the future with due regard to diversity on the Board, including gender.

2. Composition

- 2.1. The Committee shall be appointed by the Board of Directors from among their number and shall comprise not fewer than 3 members. Members of the Committee should consist of Non-Executive Directors with majority of them shall be Independent Non-Executive Directors.
- 2.2. A member of the Committee may relinquish his/her membership by written notice to the Company Secretary.
- 2.3. If a member of the Committee for any reason ceases to be a member with the result that the number is reduced to below 3, the Board of Directors shall, within 3 months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members.

3. Chairman

- 3.1. The members of the Committee shall elect a Chairman from amongst its members. The Chairman elected shall be subject to endorsement by the Board.
- 3.2. In the event the elected Chairman is not able to attend a meeting, a member of the Committee shall be nominated as Chairman for the meeting.

4. Secretary

- 4.1. The Company Secretary of the Board or his/her nominee, or such person nominated by the Committee, shall act as the Secretary of the Committee.

5. Quorum

- 5.1. The quorum of the committee shall be at least two members.
- 5.2. In the absence of a quorum, the meeting shall be adjourned to such other time, date and venue as the Committee may determine.

6. Frequency of meetings

- 6.1. The Committee will meet at least once a year and such additional meetings as the Chairman shall decide in order to fulfil its duties.
- 6.2. In addition, the Chairman may call a meeting of the Committee if a request is made by any member of the Committee, the Company's Board of Directors or the Company's Managing Director.

7. Notice of meetings

- 7.1. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman.
- 7.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and such relevant documents or information as may be required by the member, shall be forwarded to each member of the Committee and any other person required to attend, no later than seven (7) days before the date of the meeting.
- 7.3. Members of the Committee shall have the opportunity to seek additional information, and are able to obtain further clarification from the Management or other relevant parties should the need arises.

8. Meeting of the Committee

- 8.1. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as representatives of the Management and/or Company Secretary may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 8.2. The meeting of the Committee may be conducted via face-to-face and/or by means of any other conferencing technology as may be deemed appropriate by the Committee.

- 8.3. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 8.4. Each member of the Committee eligible to vote at a committee meeting shall have one (1) vote.
- 8.5. A member is required to abstain from deliberation and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.
- 8.6. All resolutions of the Committee shall be adopted by a simple majority vote.
- 8.7. In the event of an equality of votes, the Chairman of Committee shall be entitled to second or casting vote.

9. Annual General Meeting

- 9.1. The Committee Chairman should attend the Annual General Meeting to answer any shareholder questions on the Committee's activities.

10. Responsibilities and Functions

- 10.1. The main functions of the Committee include the following: -
 - (a) Review the structure, size and composition of the Board to ensure it has the appropriate balance of skills, diversity, experience, knowledge and independence;
 - (b) Review the leadership needs of the Group, both Executive and Non-Executive, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace;
 - (c) Recommend to the Board, candidates for appointment to the Board and/or Board Committees and rotation of Committee chairmanship;
 - (d) Review on an annual basis the performance of individual Directors, Board Committees and the Board as whole;
 - (e) Recommend to the Board, training programmes for the individual Directors; and
 - (f) Review and recommend to the Board, the Board's and senior management's succession plans.
- 10.2. In recommending appointment of new directors and re-election of Directors, the Committee shall give due regard to their qualification, expertise, ability to contribute and performance to the Board in the light of knowledge, skills and experience set required by the Board and the Company. The Committee shall be guided by the provisions of the Constitution of the Company, the Malaysian Code on Corporate Governance and the Bursa Securities Listing Requirements.

11. Authority

- 11.1. The Committee is authorised to pursue any matter or activity of the Group within its terms of reference and request any information from any employee/director/contractor/consultant (or other provider of services, including legal and corporate advisers) of the Company/Group in order to perform its duties.
- 11.2. The Committee shall have access to sufficient resources in order to carry out its duties, including authority to retain persons or experts having special competence as necessary to assist the Committee in fulfilling its responsibilities.

12. Term of Office

- 12.1. The term of office and performance of the Committee and each of its members shall be reviewed annually by the Board to determine whether the Committee and its members have carried out their duties in accordance with their Terms of Reference.

13. Review of the Terms of Reference

- 13.1. The Committee shall review and assess the adequacy of this Terms of Reference on a periodic basis or as and when necessary.
- 13.2. Any proposed changes to the Terms of Reference shall be approved by the Board.