



**SINARAN ADVANCE GROUP BERHAD**  
[Registration No. 202001007513 (1363833-T)]  
(Incorporated in Malaysia)

## **NOMINATION COMMITTEE: TERMS OF REFERENCE**

### **1.0 PURPOSE**

The purpose of the establishment of the Nomination Committee (“**NC**” or “**Committee**”) is to assist the Board of Directors to identify, nominate and orientate new Directors.

### **2.0 COMPOSITION AND SIZE**

The NC should be appointed by the Board of Directors and shall comprise exclusively of Non-Executive Directors with a majority of whom are Independent Non-Executive Directors. The size of NC shall consist of not less than three (3) members.

The Company should consider the appointment of Committee members on 3-year terms, with staggered expiration dates to ensure continuity. In the absence of such a rotation policy, the Board of Directors should evaluate a NC member’s performance to see that it meets both the Board and Committee’s expectations.

The Board of Directors should assess the effectiveness of the NC on an annual basis. Alternative, the assessment of the NC’s performance can be carried out by individual members of the NC on a peer assessment basis, with the results forwarded to the Board of Directors for consideration, as appropriate.

### **3.0 CHAIRMAN**

The Board of Directors or members of the NC must elect a Chairman among Committee members who is a Non-Executive Director.

In the absence of the Chairman of the NC in a Meeting, the members present shall elect one of their numbers to be chairman of the Meeting.

### **4.0 SECRETARY**

The Company Secretary shall be the Secretary of the NC or in his absence, the Chairman of the Committee or chairman of the Meeting shall choose another person as the secretary of the Meeting.

### **5.0 MEETINGS**

- (a) The NC should meet at least once a year to discharge its responsibilities as spelt out in its Terms of Reference. More frequent meetings may be called as the need arises.
- (b) The quorum shall be two (2) members with a majority of members present must be Non-Executive Directors.

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- (c) The NC may call for a meeting as and when required with reasonable notice as the Committee Members deem fit. The Committee Members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting. Minutes of such a meeting signed by the Chairman of the Committee shall be conclusive evidence of any resolution of any meeting conducted in the manner as aforesaid.
- (d) Other Directors, key executives and employees may attend any particular meeting only at the Committee's invitation.
- (e) The Minutes of each Meeting shall be made available to all members of the Board upon request.
- (f) The Board of Directors should be kept aware of the Committee's activities by way of the Committee Minutes being circulated together with the board meeting papers.
- (g) The NC should be provided with sufficient resources to undertake its duties. It should have access to services of the Company Secretary or seek professional advice at the Company's expense, if necessary, on all NC matters.
- (h) A resolution in writing signed or approved via letter, telex or facsimile by all Committee members shall be effective for all purposes as a resolution passed at a meeting of the Committee duly convened, held and constituted. Any such resolution may be contained in a single document or may consist of several documents all in the like form signed by one or more members.

**6.0 RESPONSIBILITIES AND HOW THE COMMITTEE WORKS**

- (i) The Terms of Reference of NC should be reviewed by the Board of Directors annually and updated as appropriate. The annual review of its Terms of Reference should be a robust process, reflecting changes to the Company's circumstances and any new regulations that may impact upon the NC's responsibilities.
- (ii) The NC is responsible for:
  - (a) ensuring that identifying, nominating and orientating new Directors.
  - (b) ensuring that the Board level recruitment matters are discussed in depth, allowing the Board to instead spend time on strategic and operational matters.
  - (c) ensuring that the Company recruits and retains the best available Executive and Non-Executive Directors.

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- (d) recommending to the Board of Directors a Nomination Framework for the evaluation of the Board's and individual's performance for approval of the Board of Directors.
- (e) reviewing and recommending the nomination or re-nomination of the Directors having regard to the Director's contribution and performance.
- (f) assisting the Board to engage independent experts periodically to facilitate objectives and candid board evaluations.
- (g) recommending to the Board of Directors, candidates for all Directorships to be filled by the Shareholders or the Board of Directors after taking into consideration the candidates:-
  - (aa) skills, knowledge, expertise and experience;
  - (bb) professionalism;
  - (cc) integrity; and
  - (dd) in the case of the candidates for the position of the Independent Non-Executive Directors, the NC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
- (h) considering, in making recommendations, candidates proposed by the Chief Executive Officer ("**CEO**") and within the bounds of practicability, by any Senior Management or any Director or Shareholder.
- (i) recommending the Board of Directors, candidates to fill the seats on Board Committees.
- (j) assisting the Board in an annual review of the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board.
- (k) assisting the Board in an annual review of the effectiveness of the Board of Directors as a whole, the Board Committees and contribution of each individual Director, including Independent Non-Executive Directors and CEO.
- (l) reviewing and approving any new employment of related persons and the proposed terms of their employment.
- (m) recommending individuals for nomination as members of the Board by assessing the desirability of renewing existing directorships. Due consideration should be given to the extent to which the interplay of the Director's expertise, skills, knowledge and experience was demonstrated with those of other Board members.

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- (n) periodically reporting to the Board of Directors on succession planning for the Board Chairman and CEO.
- (iii) In exercising objectivity in the assessment process, the Committee Members should not be influenced by major controlling Shareholders or the CEO or Executive Directors.
- (iv) The Board remains responsible for considering and approving recommendations from the NC.
- (v) The Board should work together with the NC to evaluate potential successors of Board Chairman and CEO.
- (vi) Each Committee Member should abstain from discussion or voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

**7.0 REVIEW OF THE AUDIT COMMITTEE**

The NC shall review the term of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and members have carried out their duties in accordance with the Terms of Reference.

*The Terms of Reference was adopted by the Board of Directors on 25 November 2021.*