TERMS OF REFERENCE OF THE NOMINATION COMMITTEE

SL INNOVATION CAPITAL BERHAD

[Registration No. 201101044035 (972155-K)]
(Incorporated in Malaysia)

TERMS OF REFERENCE FOR NOMINATION COMMITTEE

1. OBJECTIVE

The primary objective of the Nomination Committee ("NC") is to establish a documented, formal and transparent procedure to support and advise the Board of Directors ("Board") in fulfilling their responsibilities to shareholders in ensuring the Board are comprised of individual directors with an appropriate mix of skills, knowledge, experience and independent elements that fit SL Innovation Capital Berhad's ("Company") objectives and strategic goals.

2. COMPOSITION

The members of the NC shall be appointed by the Board from amongst the directors of the Company ("Directors") and shall comprise exclusively Non-Executive Directors, at least three (3) members, a majority of whom are Independent Directors and who shall not be the Chairman of the Board.

The Chairman of the Board shall not be a member of the NC.

The Chairman of the NC shall be an Independent Director or the Senior Independent Director elected from amongst the NC members.

No alternate director shall be appointed as a member of the NC. The term of office and performance of the NC and each of its members shall be reviewed by the Board annually to determine whether the members have carried out their duties in accordance with their terms of reference.

If a member of the NC resigns or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months from the date of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

3. AUTHORITY

The NC shall, in accordance with a procedure or process to be determined by the Board and at the expense of the Company:-

i) The NC is authorised to seek any information it requires from the management of the Company in order to perform its duties.

ii) The NC is authorised to call for any appropriate person or person(s) to be in attendance to make presentations or furnish or provide independent advice on any matters within the scope of responsibilities.

iii) The NC 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

In fulfilling its primary objectives, the NC shall undertake, amongst others, the following duties and responsibilities:

i) To assist the Board's succession plans, taking into consideration, the present size, structure and composition of the Board and the Board Committees as well as the required mix of skills, experience and competency required and make recommendations to the Board with regard to any adjustments that are deemed necessary;

ii) To facilitate the evaluation of the effectiveness of the Board as a whole, the various committees and each individual Director's contribution to the effectiveness on the decision-making process of the Board;

iii) To give full consideration to succession planning for the Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company and its subsidiaries, and the skills and expertise needed on the Board in the future;

iv) To identify and make recommendation to the Board on new candidates for election/appointment to the Board or to fill Board vacancies as and when they arise;

v) To ensure that orientation and education programmes are provided for new members of the Board where necessary by the finance department within one (1) month from the appointment date;

vi) To recommend to the Board concerning the re-election/re-appointment of Directors to the Board pursuant to the provisions in the Company's Constitution;

vii) In determining the process for the identification of suitable candidates, the NC will ensure that an appropriate review is undertaken. A copy of the completed Prospective Director Information Form and Fit and Proper Form which executed by the proposed candidate must be submitted to the NC. This process is to ensure that the nomination and qualifications of the proposed candidate was based on a prescribed set of criteria (i.e. Fit and Proper Policy), which includes but not limited to the following:

   a) Skills, knowledge, expertise and experience;
   b) Professionalism;
   c) Integrity;
   d) Existing number of directorships held;
   e) Confirmation of not being an undischarged bankrupt or involved in any court proceedings in connection with the promotion, formation or management of a corporation or involving fraud or dishonesty punishable on conviction with imprisonment or subject to any investigation by any regulatory authority under any legislation; and
   f) In the case of candidates being considered for the position of Independent Director, such potential candidates have the ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors. Amongst others, the potential candidates must fulfil the criteria used in the definition of "Independent Directors" prescribed by the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and being able to bring independent and objective judgement to the Board.

Where required, the members of the NC would meet up with potential candidates for the position of Director to conduct an assessment of the suitability.

(Note: The Company and its subsidiaries practices non-discrimination in any form whether based on age, gender, ethnicity or religion throughout the organisation and this includes the selection of directors).

viii) To review the training programmes attended by the Directors for each financial year, such as training programmes required to aid the Directors in the discharge of their duties as the Directors and to keep abreast with industry developments and trends; and

ix) To assess on an annual basis, the appointment and re-appointment of Independent Directors. The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. After a cumulative term of nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. However, if the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek shareholders' approval annually through a two-tier voting process.

x) To assist the Board in assessing and evaluating circumstances where a Director's involvement outside the Group may give rise to a potential conflict of interest with the Group's businesses, upon receiving declaration of the same from the Director and thereafter, to inform the ARMC of the same. After deliberation with the ARMC, to recommend to the Board the necessary actions to be taken in circumstances where there is a conflict of interest.

xi) To provide a report summarising its activities for the year in compliance with the Malaysian Code on Corporate Governance, Listing Requirements and any relevant regulations. The report can be incorporated into the corporate governance statement in the annual report or included as a separate report.

5. MEETINGS OF THE NC

The NC shall meet at least once a year and as frequently as may be required.

In the event the elected Chairman is not able to attend a meeting, a member of the NC shall be nominated as Chairman for the meeting. The nominated Chairman shall be an Independent Non-Executive Director.

Subject to the notice and quorum requirements as provided in this Terms of Reference, meeting of the NC may be held and conducted through the telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly.

6. QUORUM

The quorum for a meeting of the NC shall consist of two (2) members. In the absence of the Chairman of the NC, the members present shall elect a Chairman for the meeting from amongst the members present.

7. NOTICE OF MEETINGS

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the NC, any other person required to attend and all other Non-Executive Directors, no later than seven (7) days before the date of the meeting. Supporting papers shall be sent to NC members and to other attendees as appropriate, at the same time.

8. SECRETARY AND MINUTES

The Company Secretary or his/her nominees or such other persons authorised by the Board shall act as the Secretary of the NC. The Company Secretary shall record, prepare and circulate the minutes of the meetings of the NC and ensure that the minutes are properly kept and produced for inspection if required.

9. CIRCULAR RESOLUTION

A resolution in writing, signed or approved by letter, telegram, telex, telefax or electronic means by a majority of the NC members present in Malaysia for the time being entitled to receive notice of a meeting of the NC, shall be as valid and effectual as if it had been passed at a meeting of the NC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more of the members of the NC.

10. REVISION AND UPDATES

Where necessary, this Terms of Reference will be reviewed and updated to ensure it remains consistent with the NC’s objectives and responsibilities.

END.

-Adopted on 31 July 2024-