

SPB DEVELOPMENT BERHAD
TERMS OF REFERENCE OF NOMINATING COMMITTEE

1. INTRODUCTION

- 1.1 The Nominating Committee (“**NC**”) is formed by the Board of Directors (“**Board**”) of SPB Development Berhad (“**Company**”) to assist the Board in the effective discharge of specific responsibilities for corporate governance by assessing and recommending to the Board the suitable candidates for all directorships of the Company and/or its subsidiaries (“**Group**”) as well as for successful planning.
- 1.2 The Board decides on the appointment or re-appointment after considering the recommendations of the NC.
- 1.3 This Terms of Reference (“**TOR**”) of NC is established pursuant to the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and in line with the Malaysian Code of Corporate Governance (“**MCCG**”) issued by the Securities Commission Malaysia. It sets out the requirements towards the establishment of the NC and the delegation of responsibilities to the NC.

2. OBJECTIVES

- 2.1 The primary objective of the NC is to establish a documented, formal and transparent procedure to support and advise the Board in fulfilling their responsibilities to shareholders in ensuring that the Board comprises individuals with an optimal mix of qualifications, skills and experience.

3. COMPOSITION

- 3.1 The Board shall elect and appoint the NC members from among themselves. The NC shall comprise at least three (3) members, all of whom must be Non-Executive Directors and a majority of whom must be Independent Directors.
- 3.2 The NC Chairman shall be an Independent Non-Executive Director elected from among the NC members and shall be approved by the Board.
- 3.3 The Chairman of the Board must not be a member of the NC.
- 3.4 If a member of the NC retires, resigns, passes away and/or for any other reason ceases to be a member resulting in the number of members be reduced to below three (3), 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 of three (3) members.
- 3.5 The appointment of a NC member shall automatically be terminated if the member ceases to be a Director of the Company for any reason whatsoever or as determined by the Board.
- 3.6 The Board shall have power at any time and from time to time to rescind the appointment of any person in the NC and appoint new members to the NC as it shall deem fit.
- 3.7 Members of the NC may relinquish their membership with prior written notice to the Board.
- 3.8 The Secretary of the NC shall be the Company Secretary of the Company. The Secretary is responsible for the following:
- (a) ensure all meetings are arranged and held accordingly;

- (b) draw up meeting agenda in consultation with the NC Chairman and circulate the agenda together with the relevant papers at least seven (7) days prior to each meeting to enable full and proper consideration to be given to issues;
- (c) prepare the minutes of the NC meetings and record the conclusions of the NC in discharging its duties and responsibilities;
- (d) ensure the minutes are endorsed by the NC Chairman before circulating promptly to all members of the NC and make the same available to Board members who are not members of the NC; and
- (e) ensure that the minutes of the NC meetings are properly kept and produced for inspection if required.

4. DUTIES AND RESPONSIBILITIES

4.1 The duties and responsibilities of the NC are as follows:

- (a) consider and recommend to the Board, candidates for any directorships proposed to be filled by the shareholders, the Board or other sources such as independent recruitment firms, taking into consideration the following criteria:
 - required skill, knowledge, expertise and experience;
 - time commitment, character, professionalism and integrity;
 - diversity in age, gender, experience and independence;
 - number of directorships in companies outside the Group; and
 - specialist knowledge or technical skill.
- (b) assess and evaluate, on an annual basis, or as and when required, the desirability of the overall composition of the Board and the balance amongst Executive, Non-Executive and Independent Directors and to ensure the Board composition is in compliance with the provision of the guidelines as prescribed by the relevant authorities;
- (c) establish a mechanism for annual assessment on the performance and effectiveness of the Board as a whole, the Board Committees (comprising Audit and Risk Management Committee, NC and Remuneration Committee) and the contribution of each Director to the performance of the Company. Such annual assessment should be based on objective performance criteria, which is in line with established key performance indicators as approved by the Board;
- (d) review and recommend to the Board the required mix of skills and experience, and other qualities the Board requires in order to function completely and efficiently;
- (e) review on an annual basis, the tenure of each Director and ensure that the annual re-election of a Director is based on satisfactory evaluation of the Director's performance and contribution to the Board;
- (f) conduct the fit and proper assessment prior to the appointment of any candidate as a Director or making recommendation for re-election of an existing Director;
- (g) ensure that every Director is subject to retirement at least once in every three (3) years and that a retiring Director shall be eligible for re-election;
- (h) consider and recommend the Independent Directors who have served beyond nine (9) years for continuation in office, taking into consideration their performance and ability to continue to contribute to the Board;
- (i) ensure the Board meets the requirement for women Directors and to review the participation of women in senior management of the Company to ensure there is gender equality and healthy mix in talent pipeline;

- (j) integrate environmental, social and governance (“**ESG**”) considerations into nomination processes such as training criteria and ESG experience in order to recruit Directors that will bring ESG expertise to the Board;
 - (k) consider and recommend to the Board for approval, the appropriate size of the Board and Board Committees to facilitate effective decision making after taking into consideration the scope and nature of the operations of the Group;
 - (l) identify suitable educational and training programmes for continuous development of Directors to ensure the Directors keep abreast with development in the industry, regulatory changes and board business trends;
 - (m) review and recommend to the Board, a formal succession plan for key personnel, taking into account the challenges and opportunities of the Group and the skills as well as expertise needed on the Board in the future;
 - (n) review the leadership of the Company, both executives and non-executives, with a view to ensure the continued ability of the Company to compete effectively in the marketplace;
 - (o) oversee the development of induction program for new Directors;
 - (p) carry out other responsibilities, functions or assignments as may be defined by the Board from time to time; and
 - (q) review annually, the term of office, competency and performance of the Audit and Risk Management Committee (“**ARMC**”) and each of its members to determine whether such ARMC and its members have carried out their duties in accordance with their TOR.
- 4.2 In making its recommendations, the NC should consider the candidates’ skills, knowledge, expertise and experience, professionalism, integrity and in the case of candidates for the position of Independent Non-Executive Directors, the NC should also evaluate the candidates’ ability to discharge such responsibilities and functions as expected from Independent Non-Executive Directors.
- 4.3 The Chairman of the NC shall be responsible for the following:
- (a) lead the succession planning and appointment of Directors, and oversee the development of a diverse pipeline for the Board and management succession, including the future Chairman, Executive Directors and Chief Executive Officer; and
 - (b) lead the annual review of board effectiveness, ensuring that the performance of each individual Director and Chairman of the Board are independently assessed.
- 5. AUTHORITY**
- 5.1 The NC is authorised by the Board to investigate any activity within its TOR. It is authorised to seek any information it requires from any employee for the purpose of discharging its functions and responsibilities.
- 5.2 The NC shall review, assess and recommend to the Board the suitable candidates for election/appointment/re-appointment of the Directors, with authorisation to obtain legal or other independent professional advice and to invite persons with relevant experience to attend its meetings, if necessary.
- 5.3 The NC shall have all the resources which are required to perform its duties including access to the advice and services of the Company Secretary.
- 5.4 The NC shall have full and unlimited access to all the information and documents within the Group relevant to its activities.

6. MEETINGS

- 6.1 The NC shall meet at least once a year or as and when the NC deems necessary. NC may regulate its own procedures and in particular the calling of meetings, the notice to be given for such meetings, the proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.
- 6.2 The NC Chairman may call for additional meetings at any time at his discretion.
- 6.3 In the absence of the NC Chairman, the members present shall elect a chairman for the meeting from amongst the members present.
- 6.4 The NC Chairman or appointed person by the NC Chairman shall report to the Board on any matter that should be brought to the Board's attention and provide the recommendations of the NC that require the Board's approval.
- 6.5 The Company Secretary shall, on the requisition of the NC members, summon a NC meeting and except in the case of an emergency, reasonable notice of every NC meeting shall be given in writing.
- 6.6 The quorum for the NC meeting shall be two (2) members present in person.
- 6.7 A NC member may participate in a meeting by means of a telephone conference or video conference or any other means of audio-visual communications, and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 6.8 For good governance, each NC member must attend at least 50% of the meetings held within the year, failing which the NC will decide on disqualification of the relevant NC member.
- 6.9 A matter put to vote at the NC meetings shall be decided by a simple majority of the votes. In the event of an equality of votes, the NC / meeting Chairman has the casting vote, except where two (2) members form a quorum, the chairman of a meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue shall not have a casting vote.
- 6.10 A member of the NC who has an interest or is involved directly or indirectly in any matter under consideration by the meeting shall abstain from deliberating and voting.

7. CIRCULAR RESOLUTIONS

- 7.1 A resolution in writing, signed or approved by majority of the NC members, shall be as effectual as if it has 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 NC members. Such resolution may be approved by letter, electronic mail or other electronic communication.

8. TERM OF OFFICE

- 8.1 The term of office and performance of the NC and each of its members shall be reviewed at least once every three (3) years by the Board to assess whether the NC and its members have carried out their duties in accordance with this TOR.

9. TOR SUBJECT TO PERIODICAL REVIEW

- 9.1 The NC is responsible for regular reviews of this TOR and making any recommended changes to ensure that it continues to remain relevant, appropriate and consistent with the Group's practices, MCGG, MMLR or any other applicable regulatory requirements.

SPB DEVELOPMENT BERHAD
TERMS OF REFERENCE OF NOMINATING COMMITTEE

- 9.2 Any revision and/or changes to the terms of this TOR as recommended by the NC shall be subject to the approval of the Board.
- 9.3 The Board should disclose the application of this TOR in the Annual Report and on the corporate website of the Company.

This Terms of Reference of the Nominating Committee is approved and adopted by the Board on 18 July 2024.