

SEDANIA INNOVATOR BERHAD
[Registration No. 201301044527 (1074350-A)]

TERMS OF REFERENCE OF NOMINATION COMMITTEE
(Revised w.e.f. 28 March 2022)

Definition:

“Board” or “Directors”	: The directors for the time being of the Company or such number of them as have authority to act for the Company.
“CEO”	: The principal executive officer of the Company for the time being, by whatever name called, and whether or not he is a director.
“Committee” or “NC”	: The Nomination Committee of the Company.
“Company” or “Sedania”	: Sedania Innovator Berhad and by whatever name from time to time called.
“Group”	: The Company and its subsidiaries.
“Secretary(ies)”	: Any person or persons jointly appointed to perform the duties of a secretary of the Company including any person(s) appointed temporarily and any representative of the secretary.

1. Background

- 1.1 This Terms of Reference (“**TOR**”) has been developed to comply with Rule 15.08(A)(2) of the ACE Market Listing Requirements (“**ACE LR**”) of Bursa Malaysia Securities Berhad following the mandatory formation of a Nominating Committee (“**NC**”) by listed corporations pursuant to Rule 15.08(A)(1) of the ACE LR.
- 1.2 The Malaysian Code on Corporate Governance (“**MCCG**”) promulgated the requirement to have an effective NC, to be led by the senior independent director, to ensure fair selection and assessment of directors.
- 1.3 Taking into account the legal requirements as well as the practical considerations on the board size and composition, the Board of Sedania has resolved to establish a NC.

2. Composition and Membership

- 2.1 The Board must appoint the members of the Committee from amongst its directors, which comprise exclusively of non-executive directors, a majority of whom are independent.
- 2.2 The size of the Committee shall consist of not less than three (3) members.

3. Chairman of the Committee

- 3.1 The members of the Committee must elect a chairman among themselves who is an independent director or the senior independent director identified by the Board.

3.2 If the Chairman is unable to attend the meeting, the members of the Committee may elect one of their numbers to be the chairman of the meeting.

3.3 The Chairman of the Committee shall:-

- (a) lead the succession planning and appointment of directors, and oversee the development of a diverse pipeline for board and management succession, including the future Chairman, Executive Directors and CEO; 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.

4. Primary Responsibilities

4.1 The Committee's primary responsibilities include:

- (a) assessing and recommending to the Board the candidature of directors, appointment of directors to Board Committees;
- (b) reviewing of Board's succession plans and training programmes for the Board;
- (c) undertaking the assessment of the Board, board committees and individual directors on an on-going basis; and
- (d) undertaking annual assessment of the independence of independent directors in the Board to ensure the independent directors remain fit and proper to assume their role as Independent Directors of the Company.

5. Functions of the Committee

5.1 The Committee, amongst others, shall discharge the following functions:

- (a) ensuring that identifying, nominating and orientating new directors for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- (b) regularly review the structure, size and composition in respect of the mix of skills, independence and diversity (including gender, ethnicity and age diversity) of the Board required to meet the needs of the Company and make recommendations to the Board with regard to any changes;
- (c) ensuring that the Board level recruitment matters are discussed in depth, allowing the Board to instead spend time on strategic and operational matters;
- (d) ensuring that the Company recruits and retains the best available executive and non-executive directors;
- (e) recommending to the Board a nomination framework for the evaluation of the Board's and individual's performance for approval of the Board;
- (f) reviewing and recommending Directors who are retiring or retiring by rotation in accordance with the Company's Constitution, to be put forward for re-election at the general meetings;
- (g) reviewing and recommending the nomination or re-nomination of the Directors having regard to the Director's contribution and performance;

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- (h) recommending to the Board, candidates for all directorships to be filled by the shareholders or the Board after taking into consideration the candidates' skills, knowledge, expertise and experience, time commitment, character, competence, professionalism and integrity. For the position of independent non-executive directors, the Committee should also evaluate the candidates' ability to discharge such responsibilities as expected from independent non-executive directors;
 - (i) recommending to the Board, candidates to fill the seats on Board committee;
 - (j) annually assess the effectiveness of the Board as a whole, the board committees and the contribution of each individual directors. The evaluation of the Board includes a review of the Board's performance in addressing the Group's material sustainability risk and opportunities. All evaluations carried out by the Committee in the discharge of its functions should be properly documented. This process should be coordinated by the Committee, with the assistance of the Secretary(ies), and thus, reporting to the Board at the end of each financial year with an assessment of the board's performance and areas in which the board, board committees or individual director could improve;
 - (k) reviewing and approving any new employment of key management of the Company and its subsidiaries, i.e. CEO, Chief Financial Officer ("CFO"), Chief Operating Officer ("COO") and Chief Technology Officer ("CTO") and the proposed terms of their employment;
 - (l) 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, experience, independence and boardroom diversity (including gender, ethnicity and age diversity) were demonstrated with those of other Board members;
 - (m) assessing the appointment and re-appointment of Independent Directors on annual basis. The tenure of an Independent Director should not exceed 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;
 - (n) including a statement in the annual report about its activities, the membership of the Committee, number of Committee meetings, attendance of members over the course of the year, nomination and election process of Board members; and
 - (o) carry out such other assignments as may be delegated by the Board.
- 5.2 In exercising objectivity in the assessment process, the Committee members should not be influenced by major controlling shareholders or the CEO or executive directors.
- 5.3 The Board remains responsible for considering and approving recommendations from the Committee.
- 5.4 The Board should work together with the Committee to evaluate potential successors of Board Chairman and CEO.
- 5.5 Each Committee member should abstain from discussion or voting on any resolutions in respect of the assessment of his/her performance or re-nomination as director.

6. Attendance of Other Directors, Employees and External Parties

- 6.1 The Committee may invite other Directors and employees, including external parties or other consultants to attend any particular Committee meeting to brief the Committee on issues that are set out in the meeting agenda.

7. Procedure of the Committee Meetings

7.1 Frequency of Meetings

The Committee shall meet at least once a year and hold additional meetings as the circumstances require.

7.2 Quorum

- (a) The quorum necessary for the Committee meeting shall be at least two (2) members, who are Independent Non-Executive Directors.
- (b) 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 by the Committee.

7.3 Secretary(ies)

The Company Secretary(ies) shall be the Secretary(ies) of the Committee.

7.4 Notice of Meetings

- (a) Meetings of the Committee shall be summoned by the Secretary(ies) at the request of any of its members.
- (b) 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 Committee through post, facsimile, electronic mail or by any means of telecommunication in permanent written form, no later than seven (7) days before the date of the meeting. Other supportive and informative materials will be delivered to each Committee member and to other attendees at least three (3) days before the meeting.
- (c) The written notice of special/emergency meetings, prepared agenda and other supportive and informative materials shall be delivered to all Committee members at least twenty-four (24) hours before the meeting.

7.5 Proceedings of Meetings

The Committee may hold a meeting at two (2) or more venues within or outside Malaysia using any technology that gives the Committee members a reasonable opportunity to participate. The Committee members may participate in a meeting of the Committee by means of a teleconference, videoconference or by other communications equipment whereby all persons participating in the meeting can hear each other and be heard for the entire duration of the meeting, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. The Committee members participating in any such meeting shall be counted in the quorum for such meeting and subject to there being a requisite quorum present, all resolutions agreed by the Committee members in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Committee members duly convened and held. Any meeting held in such manner shall be deemed to be held at the place

agreed upon by the Committee members attending the meeting, provided that at least one (1) of the Committee members present at the meeting was at the place for the duration of the meeting.

7.6 Minutes of Meetings

- (a) The Secretary(ies) shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- (b) The Secretary(ies) should ascertain, at the beginning of each meeting, the existence of any conflict of interest and minute them accordingly.
- (c) Minutes of the Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board for their notation.
- (d) The Secretary(ies) shall keep record of all conclusions and resolutions passed at all Committee meetings, including the names and signatures of the attendants.
- (e) The Minutes of the Committee's meetings shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence of the proceedings of the meeting duly held.
- (f) Full minutes of the Committee meetings shall be kept by the Secretary(ies) at the registered office.

7.7 Circular Resolution

A resolution in writing signed, confirmed or approved by letter, telegram, telex or facsimile, email or other means of written communications by majority of the Committee members shall be valid and effectual as if it has been passed at a meeting of the Committee duly called and constituted provided that such number of members approving the resolution is sufficient to constitute a quorum and any such signed resolution, confirmation or approval by letter, telegram, telex or facsimile, email or other means of communications may consist of several or disparate forms of communication, each signed, confirmed or approved by any one or more members. All such resolutions shall be described as "Nomination Committee's Circular Resolutions" and shall be forwarded or otherwise delivered to the Secretary(ies) without delay, and shall be recorded by him/her in the Company's minutes book. Any such resolution may consist of several documents in like form, each signed by one or more members. The expressions "in writing" and "signed" include approval by any such member by telefax or any form of electronic communication approved by the members for such purpose from time to time incorporating, if the members deem necessary, the use of security and/or identification procedures and devices approved by the members.

7.8 Reporting

The Chairman shall report on each meeting of the Committee to the Board regarding all relevant matters and appropriate recommendations, for notation or approval by the Board.

7.9 Annual General Meeting ("AGM")

The Chairman of the Committee shall attend the AGM and prepared to respond to any shareholder's question on the Committee's activities.

8. Rights of the Committee

- 8.1 The Company must ensure that wherever necessary and reasonable for the performance of its duties, the Committee must, in accordance with a procedure to be determined by the Board and at the cost of the Company:
- (a) be able to use a variety of approaches and sources to ensure that it is able to identify the most suitable candidate for Board position. This may include sourcing from a directors' registry and open advertisements or the use of independent search firms;
 - (b) have authority to investigate any matter within its terms of reference;
 - (c) have the resources which are required to perform its duties;
 - (d) have full and unrestricted access to any information pertaining to the Company;
 - (e) be able to obtain independent professional or other advice; and
 - (f) be able to convene meetings excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

9. Review of the Terms of Reference

- 9.1 This TOR shall be assessed, reviewed and updated where necessary. All amendments to the TOR, as recommended by the Committee, must be approved by the Board.

10. Effective Date

- 10.1 This TOR shall be effective on 28 March 2022.

History

Version Number	NC's approval Date	Effective Date
Version No. 1	10 April 2015	10 April 2015
Version No. 2	23 March 2016	23 March 2016
Version No. 3	28 March 2022	28 March 2022

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