

SUNWAY CONSTRUCTION GROUP BERHAD
Registration No. 201401032422 (1108506-W)

POLICY

**SELECTION AND ASSESSMENT OF
MEMBERS OF THE BOARD OF DIRECTORS
AND BOARD COMPOSITION**

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Approved by SCG BOD on 22 November 2022

POLICY ON SELECTION AND ASSESSMENT OF MEMBERS OF THE BOARD OF DIRECTORS AND BOARD COMPOSITION



SCG Integrated Management System (SIMS)

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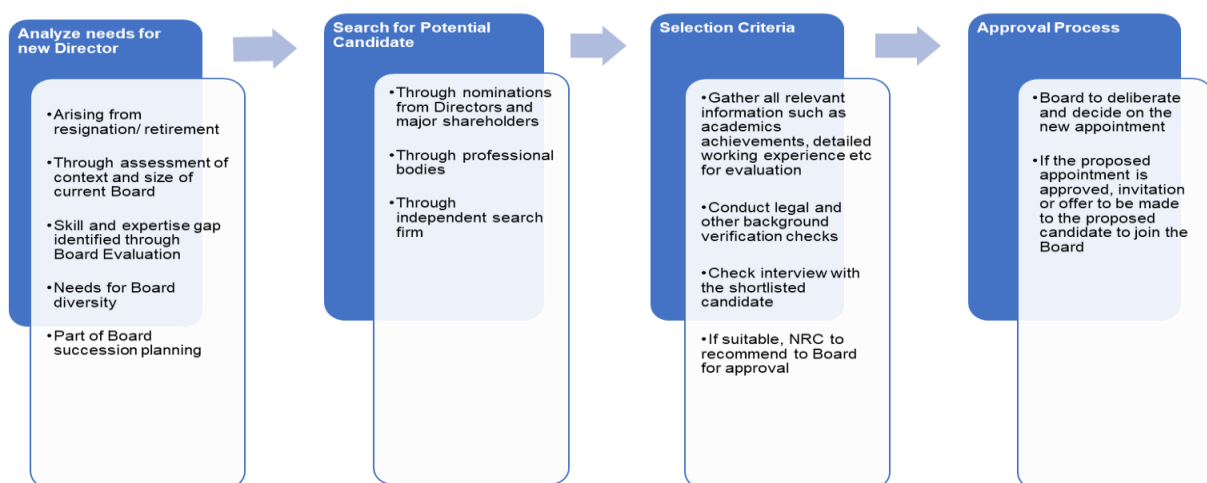
1. POLICY STATEMENT

This Policy details the processes and criteria for selection and assessment of potential candidates for election to the Board of Directors (“**Board**”) as well as the Board Composition of the Company. This policy is to be practiced in conjunction with the Diversity and Inclusion Policy of the Company as well as the Terms of Reference of the Nomination and Remuneration Committee (“**Committee**” or “**NRC**”).

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The Board has delegated NRC the responsibility to identify qualified individuals to serve as members of the Board and recommending such candidate for appointment to the Board but the ultimate decision on the appointment of a candidate is solely that of the Board as a whole after considering the recommendations of the Committee.

The process for the appointment of new director is summarized in the diagram below:



2. SELECTION OF CANDIDATE

i) SELECTION PROCESS

The Committee shall:

- a) proactively exchange views with Board members to study the needs of the Company for new Directors arising from

resignation, retirement or any other reasons or if there is a need to appoint additional directors with the required skill or profession to the Board in order to close the competency gap in the Board;

- b) request nominations from the Board, as well as actively seek suggestions for possible nominees from other sources. The Committee may consider using executive search firms to assist with finding candidates with the required skills and background;
- c) make recommendation(s) to the Board in writing, describing the experience, expertise and background of the proposed nominee(s), and how he or she will complement the skills and backgrounds represented by the continuing members of the Board;
- d) ensure ample time is given to the Board to consider the Committee's recommendations; and
- e) instruct Management to conduct an on-boarding programme for new Board member(s), and periodically review the programme for quality and scope in order to assist new Board member(s) to understand the Company's organization and businesses as well as to be able to discharge his or her duties effectively as soon as possible.

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ii) **SELECTION CRITERIA**

The Committee will evaluate all recommended candidate(s) based on the following criteria:

For Non-Executive Director

- a) The candidate must possess high standards of ethics, integrity and professionalism, display independent and sound judgement and have meaningful experience and expertise in business, corporate, engineering, civil, accounting, legal, finance or other relevant disciplines.
- b) The qualifications of a candidate will be considered by the Committee in addition to other factors it deems appropriate based on the current needs and requirements of the Board, including specific desired business and financial expertise,

experience as a director of public listed company, age, gender and ethnic diversity.

- c) The candidate must possess the necessary technical skills and knowledge relating to particular business areas or the general industry of the Company.
- d) The candidate must meet the “fit and proper” criteria of Directors under the Fit and Proper Policy of the Company.

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For Independent Director

- a) In addition to the criteria set forth above, the nominee for an independent director's vacancy must fulfill the independence test under the Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”).

3. ASSESSMENT OF CANDIDATE

a) **ASSESSMENT PROCESS**

- i) The Committee shall gather all relevant information of the candidate such as academic achievements, professional qualifications, detailed work experience, etc for evaluation. It may seek the help of the Company Secretary or Human Resource Department to assist in such information gathering as well as to conduct legal and other background verification.
- ii) The Committee shall assess the experience, expertise and business relationships represented by the continuing Board members in light of the existing and planned businesses to determine the skills and background of the new Board member(s) in order to complement those of the continuing Board members.
- iii) The Committee shall interview shortlisted candidate(s) and provide an opportunity for the Chairman or Group Managing Director to interview the prospective candidate(s), to assess the suitability of the candidate(s), if required.

4. BOARD COMPOSITION

The appointment of Directors who are able to make positive contributions, is one of the key elements of board effectiveness. Directors will be more likely to make good decisions and maximize the opportunities for the Company's success in the longer term if the right skill sets are present in the boardroom. As such, the following important factors have been identified to achieve optimal board composition:

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- a) Appropriate range and balance of skills, experience, knowledge and independence of directors.
- b) The right balance of a constructive deliberation and fresh input of new ideas and critical thinking, while maintaining a cohesive Board.
- c) Diversity of personal attributes among Board members, including: intellect and judgement, courage, openness, honesty and tact, ability to listen, forge relationships and develop trust. Diversity of background and gender is important to ensure that the Board is not composed solely of like-minded individuals.
- d) Regular review on the skills required, identify the gaps, develop transparent appointment criteria and informed succession planning by the Committee.

5. MONITORING AND REPORTING

The Committee will disclose the composition of the Board annually in the Integrated Annual Report and/or Corporate Governance Report of the Company and monitor the implementation of this Policy.

6. REVIEW OF THIS POLICY

The Committee will periodically review this Policy, as appropriate, to ensure its effectiveness. The Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

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