



SPRING ART HOLDINGS BERHAD

TERMS OF REFERENCE OF NOMINATION COMMITTEE

1. Purpose

The purpose of the Nomination Committee (the "Committee") of the Board of Directors of Spring Art Holdings Berhad (the "Company") shall be to:

- review the composition and evaluate the performance of the Board of Directors; select, or recommend for the selection of the Board of Directors, director nominees; and evaluate director compensation; and
- review the composition of committees of the Board of Directors and recommend persons to be members of such committees.

In addition, the Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors may from time to time prescribe.

2. Membership and Organization

- **Composition.**
 - The Nomination Committee shall be appointed by the Board of Directors.
 - The Nomination Committee shall consist of not less than 2 members.
 - The majority of the Nomination Committee shall be independent non-executive directors.
 - The Chairman of the Nomination Committee must be an independent director and shall be appointed by the Board of Directors. In the absence of Chairman of the Nomination Committee, the remaining members present shall elect one of their member to chair the meeting.
- **Meetings.**
 - The Committee will meet at least once per year unless otherwise determined by the Committee. The Committee will provide the schedule of Committee meetings to the Board of Directors. The quorum of the NOMINATION Committee meeting shall be at least two members and comprised of a majority of independent directors.
 - Special meetings may be convened as required. The Committee, or its Chair, shall report to the Board of Directors on the results of these meetings. The Committee may invite to its meetings other directors, Company management and such other persons as the Committee deems appropriate in order to carry out its responsibilities.
- **Compensation.**

Members of the Committee shall receive such fees, if any, for their service as Committee members as may be determined by the Board of Directors.
- **Authority**

The Nomination Committee is authorised by the Board of Directors to carry out its duties mentioned above and the other directors and employees of the Group are required to give full assistance to the Nomination Committee in discharging their duties. In addition, the Nomination Committee is also authorised to seek for external professional expertise when required.

3. Responsibilities and Duties

The responsibilities and duties of the Committee shall include:

(i) Composition of the Board of Directors, Evaluation and Nomination Activities

- Review the composition and size of the Board of Directors and determine the criteria for membership on the Board of Directors, which may include, among other criteria, issues of character, judgment, independence, diversity, age, expertise, corporate experience, length of service, other commitments and the like;

- Conduct periodic evaluations of the Board of Directors as a whole and the Committee
- Identify, consider and select, or recommend for the selection of the Board of Directors, candidates to fill new positions or vacancies on the Board of Directors, and review any candidates recommended by stockholders, provided that such recommendations are submitted in writing to the Secretary of the Company, and include, among other things, the recommended candidate's name, biographical data and qualifications, and that such recommendations are otherwise made in compliance with the Company's bylaws and its shareholder nominations and recommendations policy;
- Identify and nominate for the approval of the Board, candidates to fill Board vacancies or strengthen the Board's composition as and when they arise. Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment.
- In identifying suitable candidates the Committee shall: -
 - i. consider open advertising or the services of external advisers to facilitate the search; ▪
 - ii. consider candidates from a wide range of backgrounds;
 - iii. consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position.
- Prior to the appointment of a Director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest.
- Evaluate the performance of individual members of the Board of Directors eligible for re-election, and select, or recommend for the selection of the Board of Directors, the director nominees for election to the Board of Directors by the stockholders at the annual meeting; and
- To give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the company, and the required skills and expertise that are needed by the Board in future.

(ii) Committees of the Board of Directors

- Periodically review the composition of each committee of the Board of Directors and make recommendations to the Board of Directors for the creation of additional committees or the change in mandate or dissolution of committees; and
- Recommend to the Board of Directors persons to be members of the various committees.

In performing its duties, the Committee shall have the authority to obtain advice, reports or opinions from internal or external legal counsel and expert advisors, including any search firm to be used to identify candidates for the Board of Directors, and shall have sole authority to approve such experts' fees and other retention terms.

In the course of identifying and Nomination candidates to fill Board vacancies as when they arise or appointment of additional new Director, the Committee will evaluate the candidate's skills, knowledge, experience, time commitment, professionalism and integrity, and including, where appropriate, the criteria on assessing the independence of candidate's appointment as Non-executive director. In light of this

evaluation, prepare a description of the role and capabilities required for a particular appointment of Director.

Upon the appointment of a new Director, the Company Secretary advises the Director of his/her principal duties and responsibilities and explains the restrictions to which he or she is subject to in relation to price sensitive information and dealings in the Company's securities. Thereafter, all Directors are provided with appropriate briefings on the Company's affairs and up-to-date corporate governance materials published by the relevant bodies.

The Company Secretary is primarily responsible for the induction programme for newly appointed Directors with appropriate assistance from senior Executive directors. The induction programme aims at communicating to the newly appointed directors on the Company's vision, mission, philosophy and nature of business, current issues with the Group, the corporate strategy and the expectations of the Company concerning input from Directors. Induction of Directors may include, but not limited to, the following:

- visit to key sites of the Group;
- furnishing of a copy of the previous board minutes for at least of the past six (6) months, the business plan , pertinent management reports, Board Charter, Code of Conduct, statement of the Whistleblower Policy, Memorandum and Articles of Association of the Company and the Annual Report of the past three (3) years; and
- presentations on individual subsidiary's strengths, weaknesses and future plans.