

SAPURA INDUSTRIAL BERHAD
(COMPANY REGISTRATION NO. 197401000510 (17547-W))

BOARD NOMINATION AND REMUNERATION COMMITTEE
TERMS OF REFERENCE

This Terms of Reference (“**TOR**”) of the Board Nomination and Remuneration Committee (“**BNRC**”) sets out the duties and responsibilities of the BNRC. This TOR of the BNRC is set up in accordance with the best practices recommended under the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“**MMLR**”) and Malaysian Code on Corporate Governance.

1. OBJECTIVES

The primary objectives of the BNRC are as follows: -

- (a) Review the composition of Sapura Industrial Berhad (“**SIB**” or “the Company”) Board of Directors (“**Board**”) and recommend the appointment of new Directors to SIB Board and SIB Board Committees;
- (b) Evaluate the effectiveness of the Board, Board Committees and contributions of each individual Director;
- (c) Review the objectives and goals set for the executive directors and/or persons who are primarily responsible for the business operations of SIB’s core business and principal subsidiaries (collectively the executive directors and/or persons who are primarily responsible for the business operations of SIB’s core business and principal subsidiaries be referred to as “Principal Executive Officers”), and assess their performance against those benchmarks;
- (d) Determine the level and structure of remuneration for the Principal Executive Officers to ensure that the SIB Group is able to attract and retain individuals of the appropriate calibre, experience, and quality to lead the Group successfully. The remuneration framework should be structured to link rewards with both corporate and individual performance;
- (e) Develop policies, practice and recommend to the Board proposals appropriate to facilitating the recruitment and retention of Directors and the Principal Executive Officers;

- (f) Ensure that in carrying out their duties, members of the BNRC should have no conflict of interest, direct or indirect, with the outcome of the decision and having due regard to the interest of Shareholders and to the continuing financial and commercial health of the Group.

2. COMPOSITION AND SIZE

- 2.1 The members of the BNRC shall be appointed by the Board from amongst its Directors and shall consist of not less than three (3) members, all of which are Non-Executive Directors, a majority of whom shall be independent. If membership for any reason falls below three (3) members, the Board shall within three (3) months of that event, appoint such number of new members as may be required to fill the vacancy. Subject to any regulatory disqualification, any change to the composition of the BNRC shall be made only by the Board.
- 2.2 The Chairman of the Board and alternate Director(s) shall not be appointed as member of the BNRC.

3. CHAIRMAN

The Chairman of the BNRC shall be an Independent Non-Executive Director and shall be approved by the Board. In the absence of the Chairman, the members present shall elect one of their number, who shall be an Independent Director, to chair the meeting.

4. SECRETARY

- 4.1 The Secretary of the Committee shall be the Board's Company Secretary or such other persons appointed by the Committee and approved by the Board.
- 4.2 The role and responsibilities of the Secretary is primarily to ensure that the minutes of each meeting shall be kept and distributed to all members of the Committee and make the same available to Board members who are not members of the Committee. The Secretary shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.

5. NOTICE OF MEETINGS

- 5.1 Notice of meetings shall be circulated at least seven (7) days and the relevant documents to the meeting agenda shall be circulated at least five (5) days prior to the meeting to the BNRC members. Consent from all members of the BNRC shall be obtained for meetings called shorter than the required notice period.
- 5.2 The Chairman or any other members of the BNRC may also call for additional meetings at any time by giving at least seven (7) days prior written notice unless consent for a shorter notice had been obtained from all members.

6. MEETINGS

- 6.1 The number of meetings which the BNRC shall hold will depend on the circumstances but as minimum, there must be at least one (1) meeting in a financial year. Additional meetings shall be scheduled if considered necessary by the BNRC or the Chairman. On the requisition of any members of the BNRC, the Chairman of BNRC shall convene a special meeting of the BNRC to consider any matters brought up by them.
- 6.2 The BNRC may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.
- 6.3 The meetings of BNRC shall be governed by the provisions contained in the Constitution of the Company for regulating the meetings and proceedings of the Directors unless otherwise provided for in this TOR.
- 6.4 All resolutions/issues/matters tabled at any meeting of BNRC that require a decision by BNRC shall be decided by a simple majority of votes of all members present. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.
- 6.5 The BNRC may request other Directors, management, counsels and consultants to participate in the BNRC meetings, as necessary, to carry out the BNRC's responsibilities.
- 6.6 A BNRC member shall recuse himself/herself from participating in any discussion or deliberation on a matter in which he/she has an actual or perceived conflict of interest.
- 6.7 The Chairman of the BNRC shall exercise the right to request those who are in attendance to leave the room if matters discussed are confidential or the deliberation may be impaired due to the presence of individuals concerned.

- 6.8 The BNRC meeting agendas shall be the responsibility of the Chairman with input from the BNRC members. The Chairman may also invite the Management and other persons to participate in this process, as necessary. Written materials, including information requested by the Committee from Management, shall be provided together with the agenda.
- 6.9 Minutes of the BNRC meetings shall be tabled at the meeting of the Board.
- 6.10 The Chairman of the BNRC shall provide the Board with a report of the BNRC meetings at the immediate following Board meeting after the conclusion of each BNRC meeting.

7. QUORUM

The quorum for a meeting of BNRC shall be two (2) members.

8. CIRCULAR RESOLUTIONS

The BNRC may also deal with matters by way of written resolution. A resolution in writing signed by all members of BNRC, shall be as valid and effectual as if it had been passed by a meeting of the BNRC duly called and constituted. Any such resolution may consist of several documents in like form, each signed by one or more BNRC members. The written resolution by electronic means allowed under the Constitution of the Company shall apply to the written resolution of the BNRC.

9. AUTHORITY

- 9.1 The BNRC has the authority to examine issues as stated in its term of reference and report back to the Board with recommendations.
- 9.2 In carrying out its duties and responsibilities, the BNRC is authorised by the Board to:
- (a) Have the resources which are required to perform its duties;
 - (b) Have full and unrestricted access to any employee and information pertaining to the Group; and
 - (c) Be able to engage independent professional advisers or other advisers and to secure attendance of outsiders with relevant experience and expertise if deemed necessary.

10. DUTIES AND RESPONSIBILITIES

10.1 The Chairman of the BNRC is to provide meaningful responses to questions addressed to them at general meetings.

10.2 The BNRC shall review and, where appropriate, report to the Board the following:

(A) For Nomination Function

1. Assessment of Board Composition and Succession Planning

- a) Propose to the Board the duties and responsibilities of Non-Executive Directors, including the membership and Chairmanship of Board Committees;
- b) Review annually the Board's structure, size and composition to ensure that it comprises a majority of Non-Executive Directors with the appropriate mix of skills, experience, independence, competencies and diversity (including gender diversity), in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("BMLR"). The review shall also consider core competencies and other qualities that Non-Executive Directors should bring to the Board to enable it to function effectively and efficiently;
- c) Review the tenure of the directors;
- d) Review and ensure orderly succession planning for the Board, the Board Committees, Principal Executive Officers, and thereafter to recommend to the Board for approval.

2. Annual Assessments

- a) Establish and implement processes for assessing the effectiveness of the Board as a whole, the Board Committees and for assessing the contribution of each individual Director;
- b) Review and evaluate regularly the independency of each of the Independent Directors;
- c) Review the term of office, the performance of the Board Audit and Risk Committee ("BARC") and assessment of BARC members' knowledge of financial literacy annually to determine whether such BARC and members have carried out their

duties in accordance with their terms of reference, in line with Paragraph 15.20 of BMLR.

- d) Review, evaluate and provide statement and justifications to support the re-election of a retiring director and provide information on such re-election which includes details of any interest, position or relationship that might influence their capacity to bring independent judgement on issues and to act in the best interest of company; and
- e) Evaluate and appraise the performance of the Principal Executive Officers annually.

3. Retirement and Re-election

- a) Recommend Directors who are retiring for re-election and termination of membership of individual Directors in accordance with policy, for cause or other appropriate reasons and the annual re-election of Directors should be based on satisfactory evaluation of the Director's performance and contribution to the Board; and
- b) Disclose in the annual report the Directors' fit and proper policy for the re-election of Directors.

4. Appointment / Dismissal

- a) Assess and recommend to the Board suitable candidates for appointment as Directors in the Company by considering the following Board's Appointment Criteria:
 - required skills, knowledge, expertise and experience;
 - time commitment, character, professionalism and integrity;
 - ability to work cohesively with other members of the Board;
 - specialist knowledge or technical skills in line with SIB Group's strategy;
 - diversity of age, gender and experience/background;
 - number of Directorships in companies outside SIB Group, including Boards of non-listed public companies; and
 - in the case of candidates for the position of independent non-executive directors, the BNRC should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from an independent non-executive director.

- b) Disclose in the annual report the Directors' fit and proper policy for the appointment of Directors in the Company
- c) Assess the prospective candidates for the Principal Executive Officers' appointment and to recommend to the Board.
- d) Consider and investigate disciplinary cases involving the Principal Executive Officers, and recommend to the Board the appropriate disciplinary actions or punishments to be meted out in instances of breach of employment contract, ineffectiveness, errant behaviour or negligence in the discharge of responsibilities. Any appeals in respect thereof shall be elevated to the Board.

5. Training and Development

- a) Review the training needs of each Director, including programs prescribed by the applicable statutory and regulatory bodies and disclose in the annual report:
 - i. that the Board has undertaken an assessment of the training needs of each director;
 - ii. a brief description on the type of training that the Directors have attended for the financial year; and
 - iii. in exceptional circumstances where any Director has not attended any training during the financial year, valid justifications for the non-attendance of such Director.
- b) Provide for adequate training and orientation of new Directors with respect to the business, structure and management of the Company as well as the expectations of the Board with regard to their contribution to the Board and Group.

(B) For Remuneration Function

- a) Determine the terms of employment of the Principal Executive Officers;
- b) Determine performance contracts and targets and the structure of the rewards for the Principal Executive Officers and to assess their performance against these targets;
- c) Review and recommend to the Board for approval, proposals on the Principal Executive Officers' remuneration, salary increment, performance bonus and other benefits including pension, share option, service contracts and compensation;

- d) Review, assess and recommend to the Board policy and guidelines on the Principal Executive Officers' remuneration and, for fixing remuneration packages of individual Directors;
- e) Review, assess and recommend to the Board suitable short and long-term policies and performance-related incentive schemes for implementation of the Company;
- f) Review, assess and recommend to the Board the staff annual salary increment pool and performance bonus pool with respect to each financial year;
- g) Consider other matters as referred to the BNRC by the Board.

11. AMENDMENTS OF THE TOR

These Terms of Reference of the BNRC are determined by the Board and may be revised from time to time with the Board's approval. Upon the Board's approval, the said amendment shall form part of the TOR of the BNRC, of which shall be considered duly amended.

Dated 26 November 2025