
SUNWAY[®]

REIT

SUNWAY REIT MANAGEMENT SDN BHD
Registration No. 200801005046 (806330-X)
(Manager for Sunway Real Estate Investment Trust)

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

COMMITTED TO
**SUSTAINABLE
DEVELOPMENT GOALS**



DULY APPROVED AND ADOPTED BY THE BOARD OF DIRECTORS OF SUNWAY REIT MANAGEMENT SDN BHD
AT THE BOARD OF DIRECTORS' MEETING HELD ON 30 JANUARY 2023

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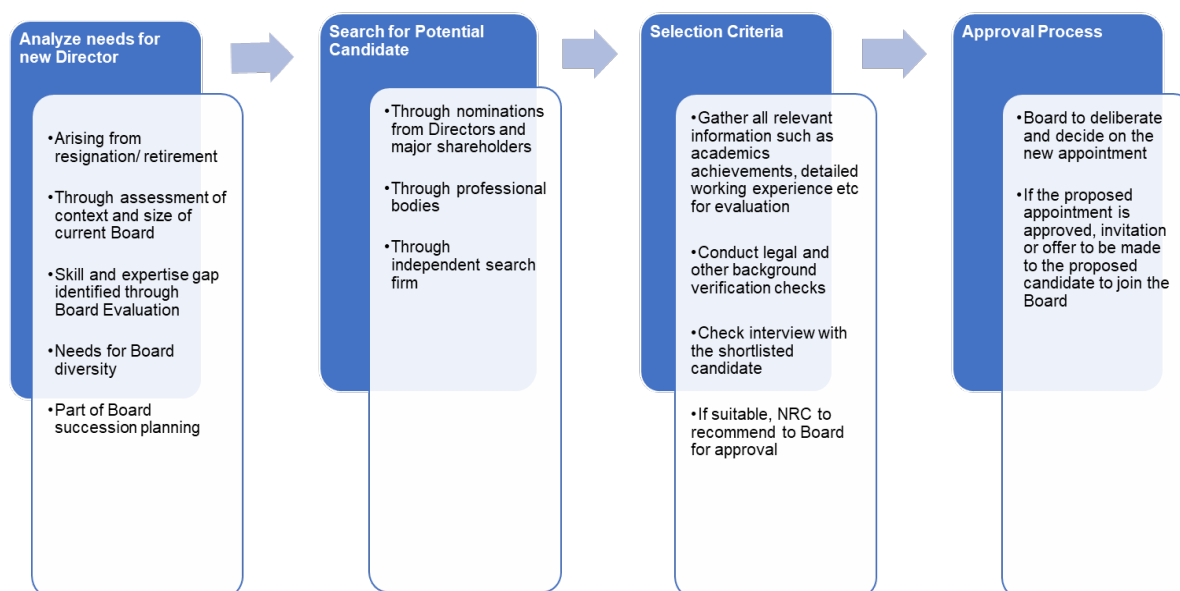
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POLICY STATEMENT

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 read and complied in conjunction with the Terms of Reference of the Nomination and Remuneration Committee (“**Committee**” or “**NRC**”).

The Board has delegated to NRC the responsibility to identify suitably qualified individual to serve as a member of the Board and recommending such candidate for appointment. However, the ultimate decision on the appointment of a candidate is solely that of the Board as a whole after considering the recommendation of the Committee.

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



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 experience and competency gap in the Board;
- b) request nominations from the Board, as well as actively seek suggestions for possible nominees from other external sources. The Committee may consider using executive search firms or professional bodies to source for potential 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) ensure that management conduct an on-boarding programme and site visits for new Board member(s), and periodically review the programme for quality of relevant information and scope of coverage in order to assist new Board member(s) to understand the Company's organizational structure and Sunway Real Estate Investment Trust's ("**Sunway REIT**") businesses as well as to be able to discharge his or her duties effectively as soon as possible.

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 judgment and have meaningful experience and expertise in business, corporate, real estate, property, 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 a public listed company, age, gender and ethnic diversity.
- c) The candidate must possess necessary technical skills, experience and knowledge relating to real estate sector and businesses segments in which Sunway REIT's portfolio of assets are exposed to.
- d) The candidate must meet the "fit and proper" criteria as detailed in the "Fit and Proper Policy" of the Company.

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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts.

ASSESSMENT OF CANDIDATE

Assessment Process

- i) The Committee shall gather all relevant information of the candidate such as academic achievements, professional qualifications, detailed work experience, etc for NRC's

evaluation. It may seek the help of 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 Chief Executive Officer to interview the prospective candidate(s), to assess the suitability of the candidate(s), if required.

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 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:

- 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, and 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, succession plans and development programme.

MONITORING AND REPORTING

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

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.