

BOARD CHARTER

Introduction

In achieving the objectives of transparency, accountability and effective performance for Rev Asia Berhad (“the Company”) and its subsidiaries (“the Group”), the enhancement of corporate governance standards is vital and it is with the aim of enshrining the concepts of good governance as promulgated in the Malaysian Code on Corporate Governance 2012 (“the Code”) that this Board Charter (“Charter”) is established.

The Charter serves as a reference point for Board activities and should not be construed as a blueprint for Board operations. Just as each organisation has its own corporate culture, the dynamics of each Board is unique. The dynamics shift as the composition of the Board changes, and the directors of the Company should always be open to new opportunities and ready to confront new challenges brought about by change.

This Charter is designed to provide guidance and clarity for directors and management with regard to the role of the Board and its committees, the requirements of directors in carrying out their role and in discharging their duties towards the company as well as the Board’s operating practices. This Charter does not overrule or pre-empt the statutory requirements of Directors enshrined in the Companies Act, 1965, the Income Tax Act 1967 and other relevant statutes, including the conduct of the Board as stipulated in the Articles of Association of the Company.

Roles and Responsibilities of the Board

The Board is responsible for the stewardship of the Company’s business and affairs on behalf of the shareholders with a view to enhancing long-term shareholder value whilst taking into account the interests of other stakeholders and maintaining high standards of transparency and accountability.

The Board reserves a formal schedule of matters for its decision to ensure that the direction and control of the Group is firmly in its hands. This includes corporate plans and budgets, strategic issues and planning, material acquisition and disposal of assets, major investments, changes to control structure of the group, key policies, capital expenditure, authority levels, treasury policies, risk management policies, appointment of auditors and review of the financial statements, financing and borrowing activities, ensuring regulatory compliance and reviewing the adequacy and integrity of internal controls.

The principal responsibilities of the Board including those adopted from the Code are:-

- reviewing, adopting and monitoring the implementation of a strategic plan for the Group;
- overseeing the conduct of the Group’s business to evaluate whether the business is being properly managed;
- identifying principal risks and ensure the implementation of appropriate systems to manage these risks;
- succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- developing and implementing an investor relations programme or shareholder communications policy for the Company; and
- reviewing the adequacy and the integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

In overseeing the conduct of the Group's business, the Board shall ensure that an appropriate financial planning, operating and reporting framework as well as an embedded risk management framework is established. Elements under this combined framework include the Business Plan, the budget, financial statements, divisional strategic/performance reviews reports and risk management reports.

Composition and Board Balance

The Board recognises the importance of independence and objectivity in the decision making process. At least two (2) or one-third (1/3) of the Board, whichever is higher, are independent directors. Independent director shall have the meaning as defined in the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad.

It is also important for the Board to keep its size at a reasonable level. The Articles of Association of the Company allows a minimum of two (2) and a maximum of fifteen (15) Directors. The size of the Boards that are too small or too large may significantly limit the level of individual participation, involvement and effectiveness. The Board shall from time to time examine its size with a view to determine the impact of its number upon its effectiveness.

The Board recognises the need for the composition to reflect a range of skill mix and expertise. High levels of professional skills and appropriate personal qualities are pre-requisite for directorships. Without limiting the generality of the foregoing, the qualifications for Board membership are the ability to make informed business decisions and recommendations, an entrepreneurial talent for contributing to the creation of shareholder value, relevant experience, the ability to appreciate the wider picture, ability to ask probing operational related questions, high ethical standards, sound practical sense, and total commitment to furthering the interests of shareholders and the achievement of the Company's goals.

The Board also recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Company to ensure a balance of power and authority. It is the policy of the Board to keep the roles of the Chairman and the Managing Director ("MD")/Chief Executive Officer ("CEO") separate and the Chairman must be a non-executive member of the Board.

Appointments

The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee.

Women candidates are sought as part of the recruitment exercise and the gender diversity, targets and measures must be disclosure in the annual report.

Without limiting the generality of the foregoing, the qualifications for Board membership are the ability to make informed business decisions and recommendations, an entrepreneurial talent for contributing to the creation of shareholder value, relevant experience in regional and/or international markets, ability to ask probing operational related questions, high ethical standards, sound practical sense and total commitment to furthering the interests of shareholders and the achievement of the Company's goals.

The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.

An induction programme will be provided for newly appointed Directors. The induction programme aims at communicating to the newly appointed Directors, the Company's vision and mission, its philosophy and nature of business, current issues within the Group, the corporate strategy and the expectations of the Company concerning input from Directors.

In addition to the Mandatory Accredited Programme as required by the Bursa Securities, Board members are also encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Company's operations and business. The Board will assess the training needs of the Directors and disclose in the Annual Report the trainings attended by the Directors.

No fixed time commitment is set for board duties as the time required by Directors may fluctuate depending on demands of the business and other events. However, it is expected that Directors will allocate sufficient time to the Company to perform their duties effectively, including being prepared for meetings and contributing effectively to the business of the Company.

A Senior Independent Director shall be appointed from amongst the independent director and he or she shall chair the Nomination Committee.

The tenure of an independent director should not exceed a cumulative term of nine (9) years and each of the independent director must be assessed on their independence annually, or when new interest or relationship surface and must be disclosed in the annual report.

The Board must seek shareholders' approval in the event to retained the independent director who has served it tenure for more than nine (9) years upon appropriate recommendation from Nomination Committee.

Re-election

Pursuant to the Company's Articles of Association of the Company, all directors must retire once at least every three (3) years but shall be eligible for re-election.

There is a maximum age of seventy (70) for Directors. However, a Director who has attained the age of seventy (70) may be reappointed as a Director until the next annual general meeting provided that the resolution must be passed by a majority of not less than three quarters of such members of the Company present and voting who, being entitled to do so, vote in person or by proxy at the general meeting of the Company.

The tenure of the executive directors is tied to their executive office.

Access to Information

A record of submissions and papers and materials presented to the Board, is maintained and held by the Company Secretary together with minutes of meetings, and is accessible to the directors.

The Board had unrestricted and timely access to all information relevant to the furtherance of their duties and responsibilities as directors of the Company.

Role of the Chairman

The Chairman carries out a leadership role in the conduct of the Board and its relations to shareholders and other stakeholders. The Chairman is primarily responsible for:-

- representing the Board to shareholders;
- ensuring the integrity of the governance process;
- maintaining regular dialogue with the Executive Directors (“ED”) over all operational matters and consulting with the remainder of the Board promptly over any matters that gives him/her cause for major concern;
- functioning as a facilitator at meetings of the Board to ensure that no member, whether executive or non-executive, dominates discussion, that appropriate discussions takes place and that relevant opinions among members is forthcoming. The Chairman will ensure that discussions result in logical and understandable outcomes;
- ensuring that all directors are enabled and encouraged to participate in its activities. This includes ensuring that all relevant issues are on the agenda and that all directors receive timely, relevant information tailored to their needs and that they are properly briefed on issues arising at Board meetings;
- ensuring that executive directors look beyond their executive function and accept their full share of responsibilities of governance;
- guiding and mediating Board actions with respect to organisational priorities and governance concerns;
- undertaking the primary responsibility for organising information necessary for the Board to deal with items on the agenda and for providing this information to directors on a timely basis; and
- performing other responsibilities assigned by the Board from time to time.

Role of the MD/CEO

The position of the MD/CEO in essence is to ensure the effective implementation of the Company’s Business Plan and policies established by the Board as well as to manage the daily conduct of the business to ensure its smooth operation.

The MD/CEO, in association with the Chairman, is accountable to the Board for the achievement of the Company’s goals and objectives and the MD/CEO is accountable to the Board for the observance of management limitations.

The MD/CEO is expected to act within all specific authorities delegated to him or her by the Board.

Generally, the MD/CEO is responsible to the Board for the following:

- executive management of the Group’s business covering, inter alia, the development of a strategic plan; an annual operating plan and budget; performance benchmarks to gauge management performance against and the analysis of management reports;
- effectively oversee the human resources of the organisation with respect to key positions in the Group hierarchy, makes recommendations to the Board for recruitment of senior management staff, determination of remuneration as well as terms and conditions of employment for senior management and issues pertaining to discipline;
- assures the Company that its corporate identity, products and services are of high standards and are reflective of the market environment;

- be the official spokesman for the Company and responsible for regulatory, governmental and business relationships;
- ensures compliance with governmental procedures and regulations;
- coordinates business plans with the businesses heads, coordinates management issues through the Board, and oversees divisional function groups and cost containment process in consultation with the Chief Financial Officer and the Regional Office or Head Office;
- maintains and facilitates a positive working environment and good employee relations;
- assists in the selection and evaluation of Board members through the Nomination and Remuneration Committees; and
- assist the Chairman in organising information necessary for the Board to deal with the agenda and for providing this information to directors on a timely basis.

Board Committees

The Board reserves the right to establish Committees from time to time in the discharge of its duties and responsibilities. Where a Committee is formed, specific terms of reference of the committee would be established to cover matters such as the purpose, composition and functions of the committee.

A number of standing committees with written terms of reference has been established namely the following:

(a) Audit and Risk Management Committee

The Audit and Risk Management Committee assists and supports the Board's responsibility to oversee the Company's operations by providing a means for review of the Company's processes for producing financial data, its risk management framework and internal controls as well as independence of the Company's external and internal auditors.

(b) Nomination Committee

The Nomination Committee oversees matters related to the nomination of new directors, annually review the required mix of skills, experience and other requisite qualities of directors as well as the annual assessment of the effectiveness of the Board as a whole, its committees and the contribution of each individual director.

(c) Remuneration Committee

The Remuneration Committee is primarily responsible to recommend to the Board the remuneration of executive directors in all its forms, drawing from outside advice if necessary.

Remuneration Levels of Directors

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.

The level of remuneration for the CEO and Executive Directors is recommended by the Remuneration Committee to the Board after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.

There is adequate disclosure in the Annual Report with a note on the remuneration of Directors.

Financial Reporting

The Board aims to present a clear and balanced assessment of the Group's financial position and future prospects that extends to the annual and quarterly reports.

The Board ensures that the annual and interim financial statements are prepared so as to give a true and fair view of the current financial status of the Group in accordance with the approved accounting standards.

The Group's practice is to announce to Bursa Securities its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period.

The Auditors Report shall contain a statement from the Auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements

Company Auditors

The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company Auditors through the Audit and Risk Management Committee.

The Audit and Risk Management Committee also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company Auditors. The Audit and Risk Management Committee ensures that the Company Auditors do not supply a substantial volume of non-audit services to the Company.

Appointment of the Company Auditors is subject to approval of shareholders at general meeting. The Company Auditors have to retire during the Annual General Meeting ("AGM") every year and be re-appointed by shareholders for the ensuing year.

Internal Controls and Risk Management

The Board has overall responsibility of maintaining a system of internal controls, which provides reasonable assurance of effective and efficient operations and compliance with laws and regulations as well as with internal policies and procedures.

The Company has a well-resourced internal audit function, which critically reviews all aspects of the Company's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis. The Head of Internal Audit has direct access to the Board through the Chairman of the Audit and Risk Management Committee.

The Board ensures the system of internal controls and enterprise risk management are reviewed on a regular basis by the Audit and Risk Management Committee.

The Audit and Risk Management Committee receives reports regarding the outcome of such reviews on a regular basis.

AGM

The Company regards the AGM as an important event in the corporate calendar of which all Directors and key senior executives should attend.

The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.

The Chairman encourages active participation by the shareholders during the AGM by serving notice earlier than the minimum notice period.

The Chairman and, where appropriate, the CEO responds to shareholders' queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.

Where necessary, the shareholders is encourage to vote by poll for substantive resolution and the Board must announce the detailed result on each resolution.

Extraordinary General Meeting ("EGM")

The Directors will consider requisitions by shareholders to convene an EGM or any other urgent matters requiring immediate attention of the Company.

Investor Relations and Shareholder Communication

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Group and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.

The Board ensures the timely release of financial results on a quarterly basis to provide shareholders and analysts with an overview of the Group's performance and operations in addition to the various announcements made during the year.

The Company conducts dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.

The Group's website, www.revasia.com, provides easy access to corporate information pertaining to the Group and its activities and is continuously updated.

Relationship with Other Stakeholders

In the course of pursuing the vision and mission of the Group, the Board recognises that no business organisation can exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

The Board is responsible for:-

- a) ensuring the Group's strategies promote sustainability;
- b) ensuring the rights of other stakeholders are not compromised;
- c) ensuring the Group has in place a policy to enable effective communication not just with shareholders, but with all stakeholders;
- d) establishing policies governing the Group's relationship with other stakeholders and the broader community; and
- e) establishing and maintaining environmental, employment and occupational health and safety policies.

Company Secretary

The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognises the fact that the Company Secretary should be suitably qualified and capable of carrying out the duties required of the post.

The key role of the Company Secretary is to provide unhindered advice and services for the directors as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.

Other primary responsibilities of the Company Secretary shall include:

- ensuring that Board procedures and applicable rules are observed;
- maintaining records of the Board and ensure effective management of organisation's records;
- preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded;
- assisting the communications between the Board and management; and
- carrying out other functions deemed appropriate by the Board from time to time.

Review of Charter

The Board will review this Charter annually to ensure it remains consistent with the Board's objectives and responsibilities.

Publication of the Charter

Key features of the charter are to be outlined in the Annual Report. A copy of the charter is available at the Company's website.