

## **TERMS OF REFERENCE OF NOMINATION COMMITTEE**

### **1. OBJECTIVE**

The principal objective of the Nomination Committee (“the Committee”), in line with the Malaysian Code of Corporate Governance 2012, is to assist the Board in the following areas:

- a) To assist the Board of Directors in its responsibilities in nominating new nominees to the Board of Directors;
- b) To take steps to recruit women candidates as new Director of the Company, when the opportunity arises. The Board as a policy will select the candidate which will best serve the Company regardless of gender and thus do not consider it necessary to set any target nor undertake any specific measures to recruit women candidates specifically;
- c) Review the effectiveness of the Group Managing Director/Chief Executive Officer (“Group MD/CEO”);
- d) To assess the effectiveness of the Directors on an on-going basis; and
- e) Assess the size and composition of the Board of Directors.

### **2. MEMBERSHIP**

The Board of Directors shall elect the Committee members from amongst themselves, comprising exclusively of non-executive directors, a majority of whom are independent.

The Chairman of the Committee shall be Senior Independent Non-Executive Director appointed by the Board. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst themselves.

The term of office for members shall be three (3) years and members may be re-appointed by the Committee for additional terms.

### **3. SECRETARY**

The Company Secretary of the Company shall be the secretary of the Committee.

### **4. QUORUM AND VOTING**

The quorum for all meetings of the Committee shall not be less than two (2) members.

All resolutions of the Committee shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman of the meeting shall have a second or casting vote.

**5. MEETINGS**

The Committee may meet together for the despatch of business, adjourn and otherwise regulate the meetings at least once a year or more frequent as deemed necessary. The Chairman may call for additional meetings at any time at the Chairman's discretion. The Group MD/CEO and/or Senior Management may be invited to attend such meetings.

A resolution in writing, signed by all the members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.

The Secretary shall on the requisition of the members of the Committee summon a meeting of the Committee and, except in the case of an emergency, reasonable notice of every Committee meeting shall be given in writing.

**6. ADVISERS**

The Committee is authorised by the Board to seek appropriate professional advice inside and outside the Group and when it considers this necessary in discharge of its duties at the expense of the Company, subject to the Board's approval.

**7. AUTHORITY**

The Committee shall be entitled to the services of the Company Secretary who must ensure that all appointments are properly made that all necessary information is obtained from the directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") or other regulatory requirements.

The ultimate decision on the appointment of directors to the Board is the responsibility of the Board of Directors or the shareholders after due consideration of the recommendations of the Committee.

**8. DUTIES AND RESPONSIBILITIES**

The duties of the Committee shall be to:

8.1 evaluate the balance of skills, knowledge and experience on the Board, and hence define the role and capabilities required for a particular appointment, be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.

8.1.1 In making the recommendations, the Committee will also consider candidates proposed by the Group MD/CEO, and within the bounds of practicability, by any other Senior Management, Director or shareholder. In making its recommendations, the

Committee shall assess and consider the following attributes or factors:-

- a) skills, knowledge, expertise and experience;
- b) professionalism;
- c) commitment (including time commitment) to effectively discharge his/her role as a Director;
- d) contribution and performance;
- e) background, character, integrity, and competence;
- f) in the case of candidates for the position of Independent Non-Executive Directors, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors; and
- g) Boardroom diversity including gender diversity.

8.1.2 Shall, at a time during the nomination process to be determined in its discretion, solicit and consider the views of majority shareholder(s) on the nomination of candidates. The Committee has the sole discretion to determine the appropriate manner and scope of the consultation, and the Committee is not required to exceed the ordinary course of communication with significant institutional investors;

- a) make recommendations to the Board for the appointment of the Chairman, Group MD/CEO and Senior Independent Director, including an assessment of the time commitment expected and recognising the need for availability in the event of crises; and
- b) review and define orientation and induction plans for new directors.

8.2 develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors. The nomination and the election process should be disclosed in the Annual Report;

8.3 recommend to the Board, Directors to fill the seats on Board Committees;

8.4 facilitate Board induction for new members of the Board and training programmes for Directors to ensure adequate training for each member of the Board;

8.5 assess the training needs of each Director, review the fulfilment of such training, and disclose details in the Annual Report as appropriate;

8.6 review the Board's succession plans;

8.7 review and make recommendations to the Board on Succession Planning Policy for Senior Management;

**REV ASIA BERHAD**  
(Company No. 916943-W)

- 8.8 review annually the required mix of skills, experience and other qualities of the Board, including core competencies which Non-Executive Directors should bring to the Board. This activity shall be disclosed in the Annual Report of the Company;
- 8.9 assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director including Independent Non-Executive Director, Chief Executive Officer and Chief Financial Officer including his time commitment, character, experience, competence and integrity. All assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented;
- 8.10 assess annually the effectiveness and performance of the Executive Directors;
- 8.11 assess annually the independence of its independent directors. This activity shall be disclosed in the Annual Report of the Company and in any notice of a general meeting for the appointment and re-appointment of independent directors. A Director would not be an “Independent Director” if:
- the director has been an employee of the Company or any related corporation within the preceding one year;
  - the director has had a material business relationship with the Company either personally or with other person or through a firm or company of which he is a partner, director or major shareholder, as the case may be, within the last three calendar years (“material business relationship” means the director has a beneficial ownership interest of 2% or more or remuneration is more than RM250,000 in any calendar year);
  - the director has not complied with the definition of “Independent Director” in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 8.12 consider the size and balance of the Board with a view to determine the impact of the number upon the Board’s effectiveness and recommend it to the Board;
- 8.13 recommend to Board the Company’s gender diversity policies, targets and discuss measures to be taken to meet those targets;
- 8.14 recommend to Board the protocol for accepting new directorships; and
- 8.15 review, at least once a year, its own performance, constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **9. PROCEDURES**

The Board follows formal and transparent procedures when appointing directors as follows:-

- 9.1 The Committee shall prepare descriptions of the director characteristics the Board is looking for in a new appointment.
- 9.2 The Committee will seek professional advice as and when it considers necessary to identify a short-list of suitable candidates and a list of nominations for candidates proposed by the Group MD/CEO, and within the bounds of practicability, by any other Senior Management, director or shareholder for considerations.
- 9.3 The Chairman of the Committee will send list of nominees to the other committee members and assign to them responsibilities to prepare a list of suitable candidates for interview.
- 9.4 All the candidates are interviewed by at least two members of the Committee whose evaluations will be circulated to all the members of Committee. A target appointment date is then fixed.
- 9.5 The Committee will then have to make a unanimous decision in recommending the appointment to the Board.
- 9.6 The Board will then decide on the best candidate by ballot or unanimous decision and a Board resolution will be passed to appoint the candidate.
- 9.7 The written consent of the nominees to act if elected shall be secured.

The Committee shall regulate its own procedure to be followed in the discharged of its duties and responsibilities. The regulation and implementation of such procedure shall, as far as circumstances permit be in keeping with the principles and requirement of the Malaysian Code on Corporate Governance 2012.

## **10. SUCCESSION PLANNING FOR BOARD**

The Committee shall:

- 10.1 keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensure the continued ability of the organisation to compete effectively in the marketplace;
- 10.2 give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in future;
- 10.3 make recommendations to the Board concerning the succession plans for Executive Directors and in particular for the Group MD/CEO;

**REV ASIA BERHAD**  
(Company No. 916943-W)

- 10.4 make recommendations to the Board concerning the re-appointment of any non-executive director at the conclusion of his or her specified term of office, re-election of any director under the retirement by rotation provisions in the Company's Articles of Association, continuation (or not) in service of any director who has reached the age 70, if any;
- 10.5 make any necessary recommendations to the Board concerning the continuation in office, suspension or termination of service of any director (subject, in the case of Company employees to the provisions of their service contracts, if any); and
- 10.6 make recommendations to the Board concerning the continuation (or not) in service of any Independent Director who has served consecutively or cumulatively more than 9 years.

**11. MINUTES**

The Minutes of meetings of the Committee shall be circulated to all members of the Board.

**12. DISCLOSURE**

The committee is required to prepare a statement on the activities of the Nomination Committee in the discharge of its duties for the financial year required in the Annual Report.

**13. PERIODIC REVIEW**

This Term of Reference shall be reviewed annually by the Committee and any revision or amendment proposed shall be presented to the Board for approval.

Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and shall be considered duly revised or amended.