
EVD BERHAD

Terms of Reference of Nomination Committee



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EVD Berhad
(Registration No. 201901045325 (1354655-D))

Terms of Reference of Nomination Committee

Table of Contents

No.	Subject	Page No.
1.	Objective	2
2.	Composition of Members	2
3.	Chairman	2
4.	Secretary	2
5.	Meetings	2-3
6.	Quorum	3
7.	Circular Resolution	3
8.	Authority	3-4
9.	Duties and Responsibilities	4-5
10.	Reporting Responsibilities	6

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Terms of Reference of Nomination Committee

1. Objective

The principal objective of the Nomination Committee (“NC”) is to assist the Board of Directors (“Board”) in succession planning of the Board and Senior Management. The NC oversees the assessment and evaluation of suitable and qualified candidates who meet the criteria and needs of the Company and its subsidiaries (“Group”) for recommendation to be appointed by the Board.

In carrying out this purpose, the NC shall periodically review the performance and effectiveness of the Board and each Board Committee as well as Senior Management in addressing the Group’s material sustainability risks and opportunities.

2. Composition of Members

The Board shall elect the NC members from amongst themselves, composed exclusively of Non-Executive Directors and shall not be less than three (3) members whereby a majority of the NC members shall be Independent Directors. The Chairman of the Board shall not be an NC member. The Board, may from time to time and in its absolute discretion, review the composition of the NC and its roles and responsibilities.

3. Chairman

The Chairman of the NC shall be elected from amongst the NC members and shall be an Independent Director or Senior Independent Director. The Chairman of the NC shall be approved by the Board of Directors.

4. Secretary

The Secretary of the NC shall be the Company Secretary.

The Secretary shall be responsible for keeping the minutes of meetings of the NC, circulating them to members of the NC and to the other members of the Board of Directors and for following up outstanding matters.

5. Meetings

The NC may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary.

The Chairman may call for additional meetings at any time at the Chairman’s discretion.

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

EVD Berhad

(Registration No. 201901045325 (1354655-D))

Terms of Reference of Nomination Committee

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the NC, no later than five (5) business days before the date of the meeting.

In the absence of the Chairman, the members can elect from amongst themselves the Chairman for the meeting.

NC members may participate in a meeting by means of a conference telephone or similar communications equipment, through which all persons participating in the meeting can hear and speak with each other.

A participant on a conference call shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

The meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chairman of the meeting then is.

6. Quorum

A quorum shall consist of two (2) members, one (1) of whom must be an Independent Non-Executive Director.

7. Circular Resolution

A resolution in writing signed or approved by letter, telex or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be described as "Nomination Committee Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.

8. Authority

The NC, in accordance with a procedure or process to be determined by the Board of Directors and at the expense of the Company,

- (a) annually review the required mix of skills and experience and other qualities, including core competencies which Non-Executive and Executive Directors should have.
- (b) assess on an annual basis, the effectiveness of the Board and Board Committees as a whole and also assess the contribution of each individual Director.
- (c) assess on an annual basis, the tenure of an Independent Director. The Independent Director should not exceed a cumulative term of nine (9) years. Should the tenure of the Independent Director be justified to be maintained as an Independent Director beyond nine (9) years, and

EVD Berhad

(Registration No. 201901045325 (1354655-D))

Terms of Reference of Nomination Committee

the NC provides their recommendation thereof, the Board may propose a further extension at the shareholders meeting through a two-tier voting process, subject to a cumulative period of not more than 12 years from the date of his first appointment in the Group as an Independent Director. The Director can still act as a Director on the Board but the Director has to be re-designated as a Non-Independent Director.

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

9. Duties and Responsibilities

The duties and responsibilities of the NC are as follows:

- To regularly review the succession planning for the Board and Senior Management by refreshing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and organisation and make recommendations to the Board with regard to any changes.
- Based on the Board's approved Fit and Proper Policy which may be recommended by the NC for further amendment from time to time ("F&P Policy"), the NC shall refresh the Board composition by periodically proposing potential/new candidates to the Board using the following criteria to assess the suitability of the candidates prior to recommending to the Board for appointment or for purposes of the reappointment of existing Directors:
 - i. Diversity of the Board, in skills, experience, age, cultural background and gender.
 - ii. Probity, personal integrity, financial integrity and reputation, where the candidate must have personal qualities such as professionalism, honesty, integrity, diligence, independence of mind and fairness. The candidate/Director must manage his/her debts or financial affairs prudently.
 - iii. Experience and Competence, where the candidate/Director must have the skills, working experience, capability and commitment necessary to carry out the role.
 - iv. Time and commitment, where the candidate/Director is able to devote time as a Director, participate and contribute in the Board.
- The process for identifying and nominating new candidates for appointment as a Director or existing Directors for reappointment entails the following steps:
 - i. Identification of skills required or which are relevant
 - ii. Selection/assessment of candidates/Directors

EVD Berhad

(Registration No. 201901045325 (1354655-D))

Terms of Reference of Nomination Committee

- iii. "Fit and suitable" assessment based on criteria above and the F&P Policy, approved by the Board to be published on the Company's website.
 - iv. Interaction with candidate(s)/Directors(s)
 - v. NC's deliberation and confirmation that the recommended candidate/Director is fit and suitable for the Board in new/existing role
 - vi. Recommendation by NC for the Board's approval
 - vii. Decision by Board on recommended appointment/reappointment
- The NC shall facilitate and review the Directors' orientation/induction and internal and external training programmes annually to continuously train and equip the existing and new Directors and to ensure a statement is made in the Annual Report by the Board containing a brief description of the training attended by each Director during the financial year and also provide a report on the NC's application of the F&P Policy in the appointment and reappointment of the Directors.
 - The NC may utilise independent sources to identify suitably qualified candidates. If the selection of candidates was based on recommendations made by existing Directors, Senior Management or Major Shareholders, the NC should explain why these source(s) suffice and other sources were not used.
 - The NC shall recommend to the Board, candidate(s) to fill the seats on Board Committees.
 - The NC shall recommend and/or approve candidates for Senior Management positions in the Group based on (i) objective criteria; (ii) merit; and (iii) with due regard for diversity in skills, experience, age, cultural background and gender.
 - The NC shall ensure that for the Senior Management recommended, there are measures in place to provide for the orderly succession of the Board and Senior Management.
 - The NC may engage independent experts at least every 3 years to facilitate an objective and candid Board evaluation if necessary.

The Board is ultimately responsible in the entire function of the Group, with the support and assistance from the NC.

- To review annually, the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and members have carried out their duties in accordance with the terms of reference of the Audit Committee.
- To act in line with the directions of the Board.
- To consider and examine such other matters as the NC considers appropriate.

EVD Berhad
(Registration No. 201901045325 (1354655-D))

Terms of Reference of Nomination Committee

10. Reporting Responsibilities

- The NC Chairman shall report to the Board on its proceedings after each meeting on all matters within the scope of its duties and responsibilities.
- The NC shall make whatever recommendations to the Board it deems appropriate on any area within its terms of reference and/or where action or improvement is needed.
- The NC shall provide a report on the NC's application of the F&P Policy in the appointment and reappointment of the Directors in the Company's Annual Report.

Approved and adopted by the Board of Directors on 18.08.2022.