

**RHONE MA HOLDINGS BERHAD**  
**[Registration No. 201401040077 (1116225-A)]**

**TERMS OF REFERENCE OF THE NOMINATING COMMITTEE**  
**(“TERMS OF REFERENCE”)**

The nominating committee of Rhone Ma Holdings Berhad (“**Company**”) (“**Committee**”) is governed by the Terms of Reference as stipulated below.

**1. Objectives**

The Committee was formed by the board of directors of the Company (“**Board**”). Its primary function, in line with the Malaysian Code on Corporate Governance, is to assist the Board in the following areas:-

- Proposing new nominees for the Board - the actual decision as to who shall be nominated shall be the responsibility of the full Board after considering the recommendations of the Committee;
- Assessing the effectiveness of the directors of the Company and its subsidiaries (“**Group**”) (“**Directors**”) on an on-going basis;
- Ensure that each of its directors, Managing Director, chief financial officer and chief operating officer has the character, experience, integrity, competence and time to effectively discharge his role as a director, Managing Director, chief financial officer or chief operating officer, as the case may be;
- Ensure the policy and criteria to conduct periodic evaluation for effectiveness of the Board and Board Committees as well as individual directors by robust processes and procedures taking into consideration the needs of the Board such as mix of skills, independence, experience, industry knowledge and diversity (including gender diversity);
- Review the effectiveness of the Group Managing Director (“**Group MD**”);
- Assess the size and composition of the Board; and
- Review the Board’s corporate governance principles of the Group;

**2. Composition**

- 2.1 The membership of the Committee shall comprise exclusively of non-executive Directors, a majority of whom are independent and number at least three (3) in total. Membership of the Committee shall be disclosed in the annual report of the Company (“**Annual Report**”).
- 2.2 The chairman of the Committee (“**Chairman**”) shall be an independent non-executive Director appointed by the Board but not the Chairman of the Board.

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- 2.3 The members will be appointed by the Board and will remain members until there is a change.

**3. Quorum and Meeting Procedures**

- 3.1 The Committee shall meet at least once a year. More meetings may be conducted if necessary.
- 3.2 The quorum for a meeting of the Committee shall be two (2) members, present in person. In the absence of the Chairman, the members present shall elect a chairman for the meeting among the members present.
- 3.3 The secretary of the Company or his / her representative / other appropriate senior officer shall act as the secretary of the Committee (“**Secretary**”). The Secretary, in conjunction with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers, at least one (1) week prior to each meeting to the members of the Committee.
- 3.4 The Secretary shall also be in attendance at each Committee meeting and responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and other members of the Board.
- 3.5 The Chairman shall submit an annual committee report to the Board, summarising the Committee’s activities during the year and the related significant results and findings thereof, including details of relevant training attended by each Committee member. The activities of the Committee in the discharge of its duties for the relevant year should also be included the Annual Report.
- 3.6 The Committee members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- 3.7 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 and may be transmitted to the Company by any technology purporting to include a signature and/or electronic or digital signature of the committee members including but not limited to signing with a platform such as DocuSign.

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- 3.8. The Committee may request other Directors, members of Management, counsels and consultants as applicable to participate in Committee meetings, as and when necessary.
- 3.9. A committee member shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to a situation of an actual or perceived conflict of interest for the member. Where this cause insufficient directors to make up a quorum, Nomination Committee has the right to appoint another Director, which meets the membership criteria.
- 3.10 The Chairman of the Committee should attend the Annual General Meeting to answer any shareholder questions in relation to the Committee's activities. In the event where the Chairman is not able to attend the Annual General Meeting, he/she shall delegate the said responsibility to other Directors or committee members.

#### **4. Advisers**

The Committee is authorised by the Board to seek appropriate professional advice inside and outside the Group at the expense of the Company as and when it considers necessary in the discharge of its responsibilities.

#### **5. Responsibilities and Duties**

In fulfilling its primary objectives, the Committee shall undertake the following responsibilities and duties:-

##### New Appointment

- 5.1 Having evaluated the balance of skills, knowledge and experience on the Board, and hence defined 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 necessary.
- 5.1.1 In making the recommendations, the Committee will also consider candidates proposed by the Group MD, and within the bounds of practicability, by any other senior executive, 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;

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- c) commitment (including time commitment) to effectively discharge his / her role as a Director;
- d) contribution and performance;
- e) background, character, integrity, commitment (including time commitment) 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) Board diversity including gender, age, cultural background, experience, and ethnicity; and
- h) any business interests that may result in a conflict of interest arose, persist or that may arise within the Company or the Group.

in the case of candidates for the position of Independent Directors, the Nomination Committee should also evaluate the candidates' ability to discharge such responsibilities / functions as expected from Independent Directors. In considering independence, it is necessary to focus not only a director's background and current activities qualify him or her as independent but also whether the Director can act independently of management.

- 5.2 Develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors. The nomination and election process of Directors and criteria used by the Committee in the selection process should be disclosed in the Annual Report.

If the selection of candidates was solely based on recommendations made by the existing board members, management or major shareholders, the NC should explain why other sources were not used.

- 5.3 In developing its procedures and making recommendations to the Board, the Nomination Committee will take into account of:-

- a) the provisions in the Company's Constitution, the Companies Act 2016, the Bursa Malaysia Securities Berhad Main Market Listing Requirements and other laws and regulations, if any, in respect of the appointment, removal, etc of directors;

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- b) the need for the Board to operate an open and transparent appointment process. This may include public advertisement or direct approaches being made to individuals who may be suitable or organisations that may be able to advise; and
  - c) the overall composition and balance of the Board.
- 5.4 To ensure the composition of the Board is refreshed periodically by reviewing the tenure of each Director and the re-election of a Director should be contingent on satisfactory evaluation of the Director's performance and contribution to the Board. Independent Non-Executive Director who is retained beyond nine (9) years has to provide strong justification in exceptional circumstances and seek shareholders' approval. In obtaining the shareholders' approval, Nomination Committee should assess the Independent Director and recommend to the Board of Directors whether the Independent Non-Executive Director should remain independent or be re-designated. The Board shall have to recommend, justify and seek annual shareholders' approval in accordance with the Board Charter.
- 5.5 Recommend to the Board, Directors to fill the seats on the committees of the Board.
- 5.6 Make recommendations to the Board for the appointment of the Chairman, Group MD and senior independent Director, including an assessment of the time commitment expected and recognising the need for availability in the event of crises.

Re-election, Re-appointment, Re-designation and Resignation/Termination

- 5.7 To ensure that the composition of the Board is refreshed periodically. The tenure of each director should be reviewed and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the Board.
- 5.8 To recommend to the Board on the re-designation of the Independent Director to Non-Independent Director should the tenure of an Independent Director exceed a cumulative terms limit of 9 years. If the Board intends to retain an Independent Director beyond 9 years, it should be subjected to the following:-
  - a) annual assessment by the NC, regarding the independence and contributions; and
  - b) annual shareholders' approval in a general meeting, where the Board provides strong justification on the recommendation in the explanatory notes to the resolution in the notice of a general meeting.

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Specific Nomination and Succession Planning

- 5.9 Recommend to the Board protocol for accepting new directorships.
- 5.10 Review the Board and senior management's succession plans.
- 5.11 Review and make recommendations to the Board on the succession planning policy for management.
- 5.12 To keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- 5.13 To 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;
- 5.14 To make recommendations to the Board concerning the succession plans for Executive Directors;
- 5.15 To 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);
- 5.16 To assess the fitness and properness of each individual Director during his/her appointment as a Director or annual re-election of the Directors based on the following factors:-
- compatibility within the overall composition of the Board to match the profile and activities of the Company;
  - willing to act or continue to act as a Director of the Company after being made aware of his/her responsibilities as a Director;
  - is or willing to be familiar with the Company's business activities and its operating environment;
  - has the ability to attend board meetings, either physically or virtually, based on the form of participation required of the Director;

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- the multiple directorships of the Director do not result in a conflict of interest with the Company, puts the Director in a position where commercially sensitive information could be misused against the Company or cause the Director to be unable to provide the required time commitment to the Company;
- is a Director or shareholder of an entity in countries that are classified as high risk under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001.

The Nomination Committee may engage a professional, experienced and independent party to facilitate the Board evaluation.

- 5.17 To administer the annual assessment of Directors, including a review of the skill, qualification and competencies of the Board as a whole, the committees of the board and for assessing the contribution of each individual director, including independent non-executive directors, as well as the chief executive officer and to review the character, experience, integrity, competence and time commitment to effectively discharge the roles of each of its director, chief executive and chief financial officer\*. All assessments and evaluations carried out to be properly documented. Thereafter to recommend the annual re-election of the Directors to the Board for the shareholders' approval at the Annual General Meeting in accordance with the Company's Constitution.
- 5.18 The term of office and performance of the audit and risk management committee and each of its members to determine whether such audit and risk management committee and members have carried out their duties in accordance with their terms of reference; and

Induction training and training needs analysis

- 5.19 To facilitate Board induction programme for newly appointed Directors with respect to the business, structure and management of the Group.
- 5.20 Assess the training needs of each Director, review the fulfilment of such training, and disclose details in the Annual Report as appropriate.
- 5.21 Review the Directors' continuing education programmes.

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**6. Procedures**

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

- 6.1 The Committee shall prepare descriptions of the director characteristics the Board is looking for in a new appointment.
- 6.2 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, and within the bounds of practicability, by any other senior executive, director or shareholder for considerations.
- 6.3 All the candidates are interviewed by at least two (2) members of the Committee whose evaluations will be circulated to all the members of the Committee. A target appointment date is then fixed.
- 6.4 The Committee will then have to make a majority decision in recommending the appointment to the Board.
- 6.5 The Board will then decide on the best candidate by ballot or majority decision and a Board resolution will be passed to appoint the candidate.
- 6.6 The written consent of the nominees to act if elected shall be secured.
- 6.7 The Committee shall focus on the need for the Board to operate an open and transparent appointment process. This may include public advertisement or direct approaches being made to individuals who may be suitable or organizations that may be able to advise.
- 6.8 The Committee shall take into account on the overall composition and balance of the Board.

The Committee shall regulate its own procedure to be followed in the discharge of its duties and responsibilities set out in section 5 above. The regulation and implementation of such procedure shall, as far as circumstances permit be in keeping with the principles and requirements of the Malaysian Code on Corporate Governance.



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**7. Revision of Terms of Reference**

Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third party, shall first be presented to the Board for its approval. Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

**8. Written Terms of Reference**

The Committee must have its written Terms of Reference which deal with its authority and duties and such information must be made available on the Company's website.

**9. Periodic Review**

This Terms of Reference shall be reviewed annually by the Committee.

The Terms of Reference is reviewed and approved by the Board on 14 November 2023.