

22 February 2022

**TERMS OF
REFERENCE
(TOR)
NOMINATION
COMMITTEE**

Terms of Reference Nomination Committee

1. Introduction

- 1.1 The Board of Directors (the "Board") of Nova Wellness Group Berhad ("NWGB" or the "Company") has established a Nomination Committee ("NC" or the "Committee") drawn from amongst its members. This Terms of Reference ("TOR") sets out the matters concerning the governance of the NC.
- 1.2 This TOR is established pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and is approved by the Board.

2. Objectives

To assist the Board to fulfill its responsibilities with regards to:

- 2.1 Composition of the Board, the Board Committee, all Directorships in the Group and Senior Management;
- 2.2 nomination and election process and appointment and re-appointment/re-election process;
- 2.3 contribution and commitment of Directors;
- 2.4 letter of appointment;
- 2.5 induction and training programmes;
- 2.6 board assessment;
- 2.7 review of the Audit Committee, Risk Management Committee, Remuneration Committee; and
- 2.8 succession planning.

3. Composition

- 3.1 The NC members shall be appointed by and from the Board of NWGB and shall comprise not less than three (3) members, exclusively of nonexecutive directors, a majority of whom must be independent.
- 3.2 The NC shall elect a Chairman from among its members and the elected Chairman shall be an Independent Non-Executive Director. The Chairman of the Committee shall not be the Chairman of the Board.
- 3.3 Members of the NC may relinquish their membership in the NC with prior written notice to the Company Secretary. The NC will review and recommend, to the Board for approval, another candidate to fill up such vacancy.
- 3.4 No Alternate Director shall be appointed as a member of the Committee.

4. Authority

- 4.1 The Board authorizes the NC, within the scope of its duties and responsibilities set out in this TOR to:
 - 4.1.1 have the resources which are required to perform its duties;
 - 4.1.2 have full and unrestricted access to information, records, properties and personnel within the Group;
 - 4.1.3 obtain relevant internal and external independent professional to assist in the proper discharge of its roles and responsibilities, advice, as it deems necessary;
 - 4.1.4 have explicit authority to review or investigate any matter within its TOR;

4.1.5 to convene meetings with the external and internal auditors or both without the presence of Executive Directors and employees of the Company, whenever deemed necessary.

4.1.6 unless otherwise provided by or subject to any applicable laws or legislative requirements, the Committee shall have the permission to obtain resources needed to fulfil its duties and responsibilities as set out in this TOR based on an agreed-upon procedure and at the expense of the Group, such as:

- a) to appoint external counsels or other advisers and approve the terms and conditions of the appointment and obtain independent professional or other advice and services, and to invite outsiders with relevant experience to attend the NC's meetings (if required) and to brief the NC thereof if the NC considers this as necessary; and
- b) full and unrestricted access to information concerning the Group (paragraph 15.04 of Main Market Listing Requirements by Bursa Malaysia Securities Berhad).

5. Secretary

5.1 The Company Secretary or his/her representative shall act as the secretary of the NC (the "Secretary").

5.2 The Secretary shall be present to record and minute all proceedings of the NC meetings.

5.3 The Secretary shall have the following responsibilities:

5.3.1 ensure all meetings are arranged and held accordingly;

5.3.2 draw up meeting agenda in consultation with the Chairman and circulate the agenda together with the relevant papers seven (7) days prior to each meeting to enable full and proper consideration be given to issues;

5.3.3 prepare the minutes of the NC meetings and record the conclusions of the NC in discharging its duties and responsibilities.

5.3.4 ensure the minutes are endorsed by the Chairman before circulating promptly to all members of the NC and make the same available to Board members who are not members of the NC;

5.3.5 ensure that the minutes of the NC meetings are properly kept and produced for inspection if required.

6. Meetings

6.1 The NC shall meet at least once (1) a year, with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities. Additional meetings may be called at any time, at the discretion of the Chairman of the NC. The NC meetings shall be governed by the provisions of the Company's Articles of Association relating to Board meetings unless otherwise provided for in this TOR. The NC may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.

6.2 The quorum for a meeting shall be two (2) members of the NC, majority of members must be Independent Directors.

6.3 In the absence of the Chairman, the members present shall elect a Chairman for the meeting, who shall be an Independent Non-Executive Director from amongst the members present.

- 6.4 NC may request other Directors, members of Board committees/management, counsels and consultants when applicable and necessary to participate in the meetings, to assist in carrying out the NC's responsibilities.
- 6.5 A member of the NC shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him. Where this causes a lack of quorum, the NC shall appoint another candidate(s) who meets the membership criteria.
- 6.6 A member of NC may participate in a meeting by telephone conference or video conference or any other means of audio-visual communications, and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 6.7 The notice and agenda for each NC meeting shall be sent to all members of the NC and invitees who may be required to attend seven (7) days prior to each of the NC meeting.
- 6.8 The Chairman of the NC shall report to the Board on any matter that should be brought to the Board's attention and provide recommendations of the NC that require the Board's approval at the Board meeting.
- 6.9 Subject to 6.1 above, in appropriate circumstances, the NC may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A resolution in writing signed by all members in lieu of convening a formal meeting shall be as valid and effectual as it had been passed at a meeting of the NC duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.

7. Responsibilities and Duties

7.1 Nomination and Election Process

7.1.1 Composition of the Board, Board Committees and all Directorships in the Group:

- a) to assist the Board in the effective discharge of its responsibility to ensure that the Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- b) review and recommend to the Board the policy on Board composition in respect of mix of skills, knowledge, experience, expertise, independence, diversity (including gender, ethnicity and age) and core competencies needed to facilitate effective functioning of the Board;
- c) draw up, review and recommend to the Board the Policy on Independence and Conflict of Interest.

7.2 Employment Contracts

- 7.2.1 review and recommend to the Board the appointment of any Executive Directors and Senior Management within the Group;
- 7.2.2 review and recommend the extension of contracts of Group Managing Director, Executive Directors and Senior Management and any other person to the Board;
- 7.2.3 review and recommend to the Board any matters relating to continuation, extension, suspension or termination of Group Managing Director, the Executive Directors and Senior Management.

- 7.3 Appointment/Re-appointment/Re-election process
- 7.3.1 to ensure appropriate selection criteria and processes and to identify and recommend to the Board, candidates for directorships of the Company and members of the relevant Board committees;
- 7.3.2 develop and review criteria used in the appointment/recruitment of Group Managing Director, Group CFO and recommend to the Board for approval;
- 7.3.3 recommend to the Board the criteria for identifying a Senior Independent Non-Executive Director;
- 7.3.4 recommend to the Board for its approval, candidates for the Board, Senior Independent Non-Executive Director, Board Committees including the Chairman and all directorships within the Group. NC shall consider the prospective Director's character, experience, skills, expertise, core competencies, integrity and time commitment, number of directorships and external obligations.
- 7.4 Induction and Training Programmes
- 7.4.1 recommend suitable orientation/induction, educational and training programmes 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 on the type of training attended by Directors during the financial year.
- 7.5 Board Assessment
- 7.5.1 assess on an annual basis, the effectiveness of the Board as a whole, the individual Directors, the Board committees and the contributions of each Director, the Group Managing Director and maintain proper documentation of such assessment;
- 7.5.2 assess the findings of the Board assessment and take appropriate actions to address any shortcomings identified from the assessment and table to the Board for review and approval;
- 7.5.3 review on an annual basis, the independence of Independent Directors with reference to the definition of "Independent Director" as stipulated by Paragraph 1.01 of the Listing Requirements and the Policy on Independence & Conflict of Interest and recommend to the Board. The tenure of an Independent Director should not exceed a cumulative term of nine years. If upon completion of nine years, the Independent Director continues to serve on the Board, he or she may do so subject to the re-designation as a Non-Independent Director after serving a cumulative term of nine years, subject to the following:
- a) assessment by the NC, regarding the independence and contributions;
 - b) shareholders' approval in a general meeting, where the Board must provide its justification on the recommendation.
- 7.6 Review of the Audit Committee ("AC"), Risk Management Committee ("RMC"), Remuneration Committee ("RC")
- 7.6.1 review the term of office and performance of AC, RMC and RC, and each of its members annually to determine whether such Committees and members have carried out their duties in accordance with their terms of reference.

7.7 Succession Planning

- 7.7.1 review and oversee a succession planning framework for the Board and Board Committee members, Group Managing Director, Subsidiaries Board and Senior Management.

8. Disclosure on NC's activities

- 8.1 NC must ensure that NWGB provide in its annual report a statement about the activities of the NC in the discharge of its duties for the financial year. The statement must include the requirements as set out in Paragraph 2.20A of the Listing Requirements and contain the following information:

- 8.1.1 the policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity).
- 8.1.2 the board nomination and election process of directors and criteria used in the selection process.
- 8.1.3 assessment undertaken by the NC in respect of its Board, committees and individual directors together with the criteria for such assessment.

8.2 Written TOR

- 8.2.1 NC must have a written TOR which deal with its authority and duties and such information must be made available on the Company's website.

9. Review of the Terms of Reference

- 9.1 This TOR shall be reviewed and updated by the NC on a periodic basis as it deems appropriate for the Board to approve.
- 9.2 This TOR is made available for reference on the Company's website at <https://www.nova.my/investor-relations>