

## **BOARD CHARTER**

### **Objective**

The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all their dealings in respect, and on behalf of, the Company.

This Board Charter is not an “all inclusive” document and should be read as a broad expression of principles. The Board Charter will be reviewed on a periodic basis and may be amended by the Board from time to time.

### **Duties and responsibilities of the Board**

- Reviewing and adopting a strategic plan for the Group which will enhance the future growth of the Group;
- Overseeing the conduct of the Group’s business to evaluate whether the business is being properly managed;
- Identifying principal risks of the business and ensure the implementation of appropriate systems to manage these risks;
- Succession planning;
- Overseeing the development and implementation of shareholder communications policy for the Company;
- 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.

### **Duties and Responsibilities of the Management**

- Manage the business activities of the Group;
- To manage and administer day-to-day operations of the Group; and
- To be responsible for the overall operational and business management and profit performance of the Group.

### **Board Composition**

The Company’s Constitution provides that the number of directors shall be not less than 2 and not more than 20. In accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company must ensure that at least 2 directors or 1/3 of the Board, whichever is higher are independent directors. If the number of directors of the Company is not 3 or a multiple of 3, then the number nearest 1/3 must be used. The composition and size of the Board shall be reviewed from time to time to ensure its appropriateness.

The Company’s Constitution provides that all newly appointed directors shall retire and be re-elected by the shareholders at the Company’s Annual General Meeting. Apart thereof, 1/3 of the Board or if the number of directors of the Company is not 3 or a multiple of 3, then the number nearest 1/3 shall retire from office and be eligible for re-election at every Annual General Meeting.

## **Board Committees**

Where appropriate, matters have been delegated to Board Committees, all of which have written constitutions and terms of reference to assist the Board in discharging its duties and responsibilities. The Board will then receive the reports of their proceedings and deliberations in its scheduled Board Meetings.

### **(i) Audit Committee**

Responsibilities of the Audit Committee:

- review with the external auditors, their audit plan;
- review with the external auditors, their evaluation of the system of internal controls;
- review with the external auditors, their audit report;
- review the assistance given by the Company's officers to the external auditors;
- review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- review the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
  - (a) changes in or implementation of major accounting policy changes;
  - (b) significant and unusual events;
  - (c) significant adjustments arising from the audit;
  - (d) compliance with accounting standards and other legal requirements;
  - (e) compliance with Bursa Malaysia Securities Berhad; and
  - (f) the going concern assumption.
- review any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity; and
- consider the nomination, appointment and re-appointment of external auditors; their audit fees; and any questions on resignation or removal.

### **(ii) Nomination Committee**

Responsibilities of the Nomination Committee:

- identify and recommend new nominees to the Board as well as committees of the Board;
- review the required mix of skills, experience and other qualities including core competencies which Non-Executive Directors should bring to the Board;
- assess annually the effectiveness of the Board, the Committees and the contribution of each individual Director; and
- evaluate and determine the training needs of the Directors to enable them to effectively discharge their duties.

### (iii) **Remuneration Committee**

Responsibilities of the Remuneration Committee:

- develop the Group's remuneration policy and determine the remuneration packages of the Executive Directors of the Group; and
- propose, subject to the approval of the Board, the remuneration and terms and conditions of service and the remuneration to be paid to each Director for his services as a member of the Board as well as Committee of the Board.

### **Board Meetings**

The Board schedules at least four (4) meetings a year at quarterly intervals with additional meetings convened whenever urgent and important matters or decisions are required. The Board will deliberate and consider a variety of matters including the Group's strategies and policies, corporate governance, risk management, corporate proposals and budgets, the Group's financial results, and the business plans and direction of the Group in the Board Meetings.

The quorum of the Board Meeting is 2 members.

Proceedings of all meetings are minuted and signed by the Chairman of the meeting upon approval by the Board at the subsequent meeting.

### **Access to Information and Independent Advice**

All scheduled meetings held during the financial year were preceded with a formal agenda issued by the Company Secretary in consultation with the Chairman and the Managing Director. The agenda for each meeting was accompanied by the minutes of preceding meetings of the Board and Board Committees, reports on Group financial performance, industry trends, business plans and proposals, quarterly result announcements and other relevant information. The Board papers are comprehensive and encompass all material aspects of the matters being considered, enabling the Board to look at both quantitative and qualitative factors so that informed decisions are made. All the Board papers are distributed 5 business days in advance of the meetings to ensure directors are well informed and prepared for the meetings.

All Directors have access to the advice and services of the Company Secretary. Directors are informed and aware that they may take independent professional advice, if necessary and appropriate in furtherance of their duties, at the expense of the Group

## **Directors' Code of Conduct**

Code of Business Conduct and Ethics of the Company applies to all directors and employees. Directors and employees are required to read, understand and abide by the Code of Business Conduct and Ethics, which is effectively communicated via the Company's Employee Handbook and is subject to regular review and updates. The Code of Business Conduct and Ethics lays out the ethical, business and lawful conduct of the Company, include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Company has a formalised whistleblower policy. The whistleblower policy is planned as a tool to manage non-compliance to the Group's Code of Business Conduct and Ethics and its future improvement. The whistleblower is advised to report and provide appropriate information of any improper conduct to any of the Risk Management Committee members for further action.

## **Directors' Training**

In addition to the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad, the Directors will continue to undertake relevant training courses offered by training organisations to keep abreast with developments in the capital markets, relevant changes in laws and regulations and on corporate governance matters and to enhance their existing or acquire additional skills and knowledge in the discharge of their responsibilities.

## **Directors' Remuneration**

The objective of the Group's remuneration policy is to attract and retain the Directors required to lead and control the group effectively. Generally, the remuneration of each Director reflects the level of responsibility and commitment that goes with the Board Committee membership. In the case of Executive Directors, the component parts of the remuneration are structured so as to link rewards to individual and the Group performance.

The Remuneration Committee recommends to the Board the framework of the Executive Directors' remuneration and the remuneration package for each Executive Director of the Group. The Remuneration Committee also reviews and recommends for the Board's approval all other Director's fees.

The remuneration policy and procedures for directors and senior management is documented in the Company's Employee Handbook.

## **Company Secretary**

The Company Secretary plays an advisory role to the Board and the Board Committees on issues relating to corporate governance with the relevant laws, rules, and regulations affecting the Group and the Company as well as ensuring compliance with the statutory requirements of the Companies Act 2016, the Main Market Listing Requirements and other regulatory bodies.

The appointment and removal of the Company Secretary is a matter for the Board as a whole.

## **Shareholders and Other Communication**

The Group values communication with its shareholders and investors and does this through the Annual Report, Annual General Meeting and Corporate Announcements. All enquiries made are normally dealt with as promptly as practicable. The Company also holds briefings with research analysts, fund managers and investors to explain the Group's strategies, performance and major developments and the Board plans to conduct regular dialogues with institutional investors, fund managers and analysts with the aim of fostering mutual understanding of the Group's objectives.

The Group used the Annual General Meeting as a forum of communication with its shareholders. The Board encourages participation from shareholders by having a question and answer session during the Annual General Meeting whereby the Directors are available to discuss aspects of the Group's performance and its business activities.

## **Financial Reporting**

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcement of results to shareholders as well as the Chairman's statement in the Annual Report.

The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

## **Social Responsibilities**

The Board acknowledges that the Group should play a vital role in contributing towards the welfare of the community in which it operates.

The Group supports charitable causes and environmental sustainability initiatives.

## **Review of Board Charter**

This Board Charter approved by the Board shall be reviewed regularly to ensure that new laws, regulations or relevant developments having an impact on the discharge of the Board's responsibilities are taken into account.