

BOARD CHARTER

A. OBJECTIVE

The Board supports the concepts of good governance as set out in the Malaysian Code on Corporate Governance ("the code"). This Charter and Corporate Governance Guidelines have been adopted by the Company's Board, acting on the recommendation of its Audit Committee, Remuneration Committee and Nominating Committee, to assist the Board and its committees in the exercise of their duties and responsibilities, delivering growth while upholding highest standard of Corporate Governance in dealings all respect, and on behalf of the Group.

B. THE BOARD

1. Duties and Responsibilities of the Board

The Board remains collectively responsible for its commitment to leading and managing the Group's strategic direction, overseeing the business operations, identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures.

The major responsibilities of the Board are as follows:

- Review, evaluate and approve, on a regular basis, the strategies, business plans, corporate objectives and policies for the Company and for the Group.
- Review, evaluate and approve major resource allocations and capital investments.
- Review the financial and operating results of the Company and the Group.
- Review, evaluate and approve the overall corporate organizational structure, the assignment of senior management responsibilities and plans for senior management development and succession.
- Review, evaluate and approve compensation strategy as it relates to senior management of the Company.
- Adopt, implement and monitor compliance with the Company's Code of Conduct.
- Establishing Board Committees, whenever necessary.
- Ensures adequacy and integrity of the Company's internal control systems and information systems.
- Ensures that environmental, social and governance aspect of the business is being balanced with the interest of various stakeholders.

2. Roles of the Chairman

The Chairman of the Board is primarily responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. The Chairman shall act as the spokesman for the Board and is the principal contact for the Deputy Chairman.

As recommended under the Code, the Chairman should be independent from management and free from any interest and any business or other relationship which could interfere with the Chairman's independent judgment other than interests resulting from Company shareholdings and remuneration. Hence the Board has been looking for suitable candidates as independent directors of the Company to make up the Board more balance.

The duties and responsibilities of the Chairman are as follows:

- Presiding at Board and shareholders meetings and ensuring proceedings are in compliance with good conduct and practices.
- Representing the Board to the shareholders.
- To chair the meetings of the Board.
- Ensure effective functioning of the Board.
- To provide independent advice and counsel to the Deputy Chairman.
- Leading the Board in establishing and monitoring good corporate governance practices in the Company.
- Ensure effective communication between shareholders and the Board.
- The Deputy Chairman shall represent or act on behalf of the Chairman in his absent.

3. Roles of the Managing Director and Executive Directors

The Managing Director, assisted by Executive Directors, focuses on the business and day-to-day operations and management of the Company, safeguard the assets of the Company, ensure effective internal and external reporting of the Group and ensure compliance with applicable laws and regulations.

The duties and responsibilities of the Managing Director and Executive Directors are as follows:-

- To adhere to the Company's policies and ensure proper execution of strategies, achievement of the corporate goals and objectives.

- Accountability of Company's performance, activities, environmental and safety issues, sustainability, governance and political consequences and their effect in the long run.
- Ensure the effectiveness on implementation of the strategic plans and policies and operational decisions.
- To perform and act within the specific authorities delegated by the Board.

4. Board Balance and Composition

Until otherwise determined by the Company at a general meeting, the number of Directors shall not be less than two (2) and not more than eleven (11) and ensure that it is well presented by individuals with diverse professional backgrounds and experience.

The Board shall be helmed by the Chairman, appointed by the Board, and comprise at least two (2) directors or one-third ($\frac{1}{3}$) of the Board of Directors, whichever is higher, who are Independent Non-Executive Directors in accordance with the Listing Requirements.

The tenure of an independent director should not exceed a cumulative term of nine (9) years since appointment as independent director. The independent director may continue to serve on the Board beyond the nine (9) years tenure provided the independent director is re-designated as a Non-Independent Director. Otherwise, the Board must justify and seek shareholders' approval at the Annual General Meeting ("AGM") in the event it retains such director as an independent director.

If the Board continues to retain the independent director after the twelve (12) years, the Board should provide justification and seek annual shareholders' approval at the AGM through a two-tier voting process.

At the AGM one-third of the Directors for the time being, or if their number is not three (3) or a multiple of three, then the number nearest one-third, shall retire from office. All Directors, including the Managing Director shall retire from office once at least every three (3) years but shall be eligible for re-election subject to the Articles of Association of the Company.

Any Director so appointed during the year shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are retire by rotation mentioned above at that meeting.

To enhance its effectiveness and well balance, the Board shall ensure its members have the relevant skills, experience, expertise and time commitment. Each year the Board reviews the Company's procedures and performance and arranges suitable training where appropriate.

The composition of the Board shall be assessed by the Nominating Committee, to ensure the Board is of an appropriate mix to optimise the

Board's performance, as a whole, and align the Board's capabilities with the Company's strategic direction.

The Board has been actively seeking for suitable caliber candidates as independent directors of the Company through many sources to make up a majority of independent directors in the Board members as recommended under the Code. Further, ongoing efforts are also taken to maintain an appropriate gender representation on the Board.

5. Board Committees

The Board may delegate specific responsibilities to individual members or committees of the Board to assist it in carrying out the duties or specific task. The committees of the Board play an important role in corporate governance, in terms of improving decision-making by the Board and enhancing the monitoring function of the Board and its accountability to shareholders.

The relevant Board Committees established are as follows:-

- **Audit Committee**
 - The principal objective of the Audit Committee is to assist the Board in discharging its statutory duties and responsibilities relating to corporate accounting system of internal control and management and financial reporting practices of the Group and overseeing the independence and effectiveness of the internal and external audit functions.
- **Remuneration Committee**
 - The Remuneration Committee assists the Board on matters relating to the remuneration of Directors and senior management.
- **Nominating Committee**
 - The principal objective of Nominating Committee is to assist the Board on matters relating to the selection and assessment of Directors and senior management as well as the training needs.

The Chairman of the respective Committees will report to the Board of the issues deliberated and recommendation made by the Committees during the Board of Directors' meeting.

6. Board Procedures

- The conduct of directors will be consistent with their duties and responsibilities to the Company and, indirectly, to Shareholders. Directors will always act within any limitations imposed by the Board and provisions of relevant laws and guidelines on its activities;

- Directors will at their best endeavors, attend all Board meetings. Directors are expected to participate fully, and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and expertise to the Board;
- Directors who are not able to attend a meeting will advise the Chairman and the Secretary at the earliest date possible;
- Board discussions will be open and constructive, recognizing that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus in the Board but may, where considered necessary, call for a vote;
- All Board's discussions shall be properly recorded in minutes and they shall remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law. Subject to legal and regulatory requirements, the Board will decide the manner and timing of the publication of its decisions;
- Directors are expected to strictly observe confidentiality of the Company information; and
- Directors are required to inform the Board of their conflicts or potential conflict of interest that they may have in relation to particular items of business or transaction. Subject to provisions or relevant laws and guidelines, the directors concerned shall abstain from deliberation and determination of those matters.

7. Company Secretary

The Company Secretary shall assist and advise the Board and its committees on the effectiveness of the Board functions, matters relating to governance practices, ensuring the Board adherence to rules and procedures, and advocate adoption of the best practice on corporate governance.

The roles and responsibilities of the Company Secretary include, but not limited to the following:

- Advise the Board on its roles and responsibilities.
- Advise the Board on corporate disclosures and compliance with Companies Act and securities regulations and listing requirements, and any amendments or new requirements in relation thereof.
- Ensuring that resolutions are properly attended to.
- Manage processes pertaining to the shareholder meeting.
- Serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

- Facilitate the orientation of new directors and assist in director training and development.

8. Relationship with Shareholders

The Board shall ensure there is effective, transparent and regular communication with shareholders on Company's operations, governance and performance of the Group via the General Meeting, Bursa announcements, Annual Report and Circulars, and through the Company's website.

The Board shall ensure that shareholders are given sufficient notice and time to consider the resolutions that will be discussed and decided at the General Meeting.

The Board shall also take proactive measures to ensure that shareholders are able to participate at General Meeting and to communicate their views and exercise their right to vote at the General Meeting.

9. Review of Board

The Board Charter will be reviewed and updated as and when required to meet the needs of the group and for any relevant new amendments in rules, laws and regulations which may have any significant impact on the discharge of Board's duties and responsibilities, to ensure relevance and compliance.