

## **BOARD CHARTER**

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### **1. INTRODUCTION**

This Board Charter sets out the principles for the operation of the Board of Directors (“**Board**”) of AGX Group Berhad (“**AGB**” or “**the Company**”) and its subsidiaries (the “**Group**”) and describes the functions of the Board and those functions delegated to Management of the Company.

Corporate Governance is vital and important to the success of AGB and the Group, including practising a high level of good corporate governance. Commitment to instil ethical behaviour in business strategy, operations and culture will determine the Company’s success in performance and long-term sustainability.

This Board Charter incorporates the Principles and Practices of the Malaysian Code on Corporate Governance (“**MCCG**”), as considered appropriate, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**AMLR**”) on Corporate Governance, certain aspects of the Company’s Constitution and relevant sections of the Companies Act 2016 (“**CA**”) insofar as the duties and responsibilities of the Directors concerned.

### **2. OBJECTIVE**

The objective of this Board Charter is designed to provide guidance and clarity to all Board members on their roles, duties and responsibilities as Board members. Any conduct or decision made by members acting on behalf of the Company should not be seen as violating various legislations and regulations or overruling or preempting the statutory requirements. Below is a concise overview of Board Charter:

- (i) Strategic guidance and effective oversight of management;
- (ii) Clarification of the roles and responsibilities of the Board, individual Directors, Chairperson, Chief Executive Officer and Management to facilitate the Board, individual Directors, Chairperson, Chief Executive Officer and Management’s accountability to the Company and its Shareholders;
- (iii) Delegation of authority by the Board to various committees established to assist the Board in executing its duties and responsibilities; and
- (iv) Board’s operating procedures and practices pertaining to meetings, trainings and developments, code of conduct and declaration on conflicts of interest.

The Board Charter serves as a source of reference and primary induction literature to provide insights to existing and prospective Board members and Senior Management to assist the Board in the performance of their fiduciary duties as directors of the Company. It will also assist the Board in assessing its own performance and that of its individual Directors.

### **3. BOARD ROLES AND RESPONSIBILITIES**

#### **Overview of the Board's Purpose**

The Board has the overall responsibility of providing oversight and stewardship to the Company in executing the Company's objectives. The Board understands its responsibility to exercise good governance and is guided by the principles and best practices as stated in the MCCG.

#### **3.1 Board Structure and Composition**

- 3.1.1 The Board shall be of a size and composition with the benefit of diversity in gender, perspectives, competencies, extensive experience, knowledge and skills to properly understand and deal with the current and emerging issues of the business of the Company and the Group. Thus, the Board acknowledges the importance of promoting gender diversity and does not set a restriction on having female director(s) on the Board.
- 3.1.2 The Company's Constitution provides that the number of Directors shall not be less than two nor more than fifteen.
- 3.1.3 In accordance with the AMLR the number of Independent Directors should be at least two or one-third, whichever is higher, of the Board. In the event of any vacancy in the Board, resulting in non-compliance with this requirement, the Board must ensure that the vacancy is filled within 3 months. The Independent Director provides independent judgment, experience and objectivity without being subordinated to operational considerations.
- 3.1.4 The Board shall appoint a Senior Independent Director to act as an intermediary and point of contact to whom concerns may be conveyed by shareholders and the general public.
- 3.1.5 The tenure of an Independent Director shall not exceed a cumulative term of 9 years. Upon completion of the 9-year period, any competent Independent Director may continue to serve on the Board, subject to the Director's re-designation as Non-Independent Director.

- 3.1.6 The Board shall ensure that the Company reaches its target of having at least 30% women directors on the Board. The composition and size of the Board is reviewed from time to time to ensure its appropriateness.

### **3.2 Appointments and Re-election**

- 3.2.1 The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the NC. It is of essence that the Board ensures high level of professional skills and appropriate personal qualities as pre-requisites for such nominees.
- 3.2.2 The criteria for the recruitment or appointment (including re-election/re-appointment) of the Director are guided by fit and proper assessment by the NC based on the Terms of Reference of the NC.

Without limiting the generality of the foregoing, the qualifications for Board membership are:

- (a) the ability to make informed business decisions and recommendations;
  - (b) an entrepreneurial talent for contributing to the creation of shareholders' value;
  - (c) sufficient available time to be able to fulfill his or her responsibilities as a member of the Board and any of the Committees to which he or she may be appointed; and
  - (d) total commitment to furthering the interests of shareholders and the achievement of the Company's goals.
- 3.2.3 No person shall be appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if the person is or becomes an active politician. A person is considered as an "active politician" if he or she is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.
- 3.2.4 The tenure of the Executive Directors is tied to their executive offices.
- 3.2.5 The Nomination Committee and Remuneration Committee shall identify candidates with appropriate skills, experience, age, cultural background and gender, knowledge and expertise in order to discharge its mandate effectively and to maintain the necessary mix of expertise for approval by the Board.

- 3.2.6 The Board shall undertake an assessment of its Independent Directors annually by ensuring the tenure of an Independent Director is cumulatively limited to 9 years without further extension. Upon completion of the 9-year period, any competent Independent Director may continue to serve on the Board, subject to the Director's re-designation as Non-Independent Director.
- 3.2.7 All newly appointed Directors will be subjected to a re-election at the Company's next Annual General Meeting ("**AGM**") subsequent to their appointment. Further, one-third of the Board shall retire from office and be eligible for re-election at every AGM, and all Directors shall submit themselves for re-election at least every 3 years.
- 3.2.8 In the event of any vacancy on the Board, resulting in non-compliance with the Listing Requirement, the Company must fill the vacancy within 3 months.
- 3.2.9 Newly appointed Directors are expected to declare their time commitment to the Board. If they sit on other listed corporations as Directors, they shall notify the Chairperson of the Board and the Company Secretary before accepting any new directorship. The notification shall include an indication of the time that will be spent on the new appointment and a declaration that its business is not in conflict with that of AGX Group Berhad.
- 3.2.10 The number of directorships in listed corporations held by any Board member at any one time shall comply with the Listing Requirements of Bursa Securities.
- 3.2.11 Appropriate induction programs for newly appointed Directors shall be carried out with the aid of the Executive Directors.

### **3.3 Independence of the Directors**

The Board assesses the independence of the Directors annually by taking into consideration their disclosed interests and having regard to the criteria for assessing the independence of Directors under the annual Board assessment. A separate assessment for Independent Directors is also undertaken annually.

### **3.4 Tenure of the Directors**

- 3.4.1 The Board noted the recommendation of MCCG that the tenure of Independent Directors shall not exceed a cumulative term of 9 years.

### **3.5 Directors' Induction Training and Development Programs**

- 3.5.1 The Board shall ensure compliance with the Bursa Securities Mandatory Accreditation Programme ("**MAP**") for newly appointed Directors and assess the needs of the Directors' further training programs on an ongoing basis. Under the Listing Requirements, newly appointed Directors must complete this program within 4 months of being appointed.

3.5.2 The Board is encouraged to attend appropriate courses and training programs to update Board members on new developments in laws, regulations and other business and management-related subjects, including risks control and management subjects that may affect the Company's business and compliance requirements, to ensure they are able to perform their duties as Directors of the Company to the highest standards.

## **4. ROLES AND RESPONSIBILITIES**

### **4.1 Board Overall Responsibilities**

4.1.1 The Board is responsible for the Group's overall strategic direction, business and financial performance, risk management, internal control and management, information systems and investor relations. The principal duties and responsibilities of the Board are as follows:

- i. Establishing and reviewing the strategic direction of the Group and ensuring that it supports long-term value creation and includes strategies on economic, environmental and social considerations, underpinning sustainability at all times;
- ii. Promoting a good Corporate Governance culture within the Group that reinforces ethical, prudent and professional behaviour;
- iii. Reviewing and adopting the overall strategic direction and setting out the Group's short-term and long-term plans and programs for the Company and the Group;
- iv. Overseeing the conduct of business by the Company and Group, supervising and assessing management's performance to determine whether the business is being properly managed;
- v. Identifying principal risks and ensuring the implementation of appropriate internal controls and risk management;
- vi. Setting the risk appetite within which the Board expects the Management to operate and ensuring the implementation of an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- vii. Establishing an appropriate succession plan for the Board and Senior Management;
- viii. Developing and implementing an investor relations program or a shareholder communication policy for the Company;

- ix. Reviewing the adequacy and integrity of the management information and internal control systems of the Company and Group; and
  - x. Ensuring the integrity of the Company's financial and non-financial reporting.
- 4.1.2 Each Director has a legal duty to act in the best interest of the Company. The Directors, collectively and individually, should be aware of their responsibilities to the shareholders and stakeholders for the manner in which the affairs of the Company and Group are managed.
- 4.1.3 Directors should consult a suitably qualified, experienced and competent Company Secretary and/or Chairperson, as required, for any clarifications on their responsibilities and duties and any dealings from which a potential conflict of interest situation may arise.
- 4.1.4 The Board reserves full decision-making powers, after taking into consideration the policies, procedures and guidelines of the AGB Group on the following matters:
- a) Conflict of interest relating to a substantial shareholder or a Director or person connected to such a substantial shareholder or Director;
  - b) Material acquisitions and dispositions of assets not in the ordinary course of business;
  - c) Investment in capital projects;
  - d) Authority levels;
  - e) Treasury policies;
  - f) Risk management policies; and
  - g) Key human resource issues

## **4.2 Role of the Board**

- 4.2.1 Directors are expected to comply with their legal, statutory and equitable responsibilities when discharging their fiduciary duties as Directors in accordance with the Act, the AMLR and best practices under the MCCG. The duties of the Directors include:
- i. acting in good faith and in the best interests of the Company as a whole;
  - ii. acting with care and diligence and for proper purposes;
  - iii. avoiding conflicts of interest with the Company in a personal or professional capacity;
  - iv. refraining from making improper use of information gained through the position of director and from taking improper advantage of the position of director; and

- v. attending a regular training program in order to be apprised of changes in the regulatory environment the Group is subjected to.

4.2.2 Directors will keep all Board information, discussions, deliberations and decisions that are not publicly known confidential and will not use information gained through the Board for their own or their employers' interests.

#### **4.3 Role of Senior Independent Director**

4.3.1 The Senior Independent Director (“**SID**”) is a Non-Executive Director (“**NED**”).

4.3.2 The Board may appoint a SID to whom concerns pertaining to the Group may be conveyed by shareholders and the public.

4.3.3 The SID's responsibilities include:

- a) To act as a sounding board for the Chairman of the Board;
- b) To act as an intermediary for other Directors and/or Chairman when necessary;
- c) To act as a point of contact for shareholders and other stakeholders on areas that cannot be resolved through the normal channels of contact with the Chairperson or President/ Group Chief Executive Officer; and
- d) To execute such other roles as designated by the Board from time to time.

#### **4.4 Role of Chairperson/ Chairman**

4.4.1 The Chairperson/ Chairman is elected by the Board members to provide leadership at the Board level and represent the Board to Shareholders and other stakeholders. The Chairperson is responsible for ensuring the integrity and effectiveness of the Board and its committees. The Board shall appoint one person from among its members as the Chairperson of the Board and the elected Chairperson must be an Independent Non-Executive Director.

4.4.2 The roles of the Chairperson and Chief Executive Officer are distinct and separate roles with a clear division of responsibilities to ensure there is a balance of power and authority to promote accountability and facilitate the division of responsibility between them.

4.4.3 The Chairperson is responsible for the leadership, effectiveness, conduct and governance of the Board. The responsibilities of the Chairperson, amongst others, are as follows:

- i. Leads the Board in establishing and monitoring good corporate governance practices in the Company and the Group;
- ii. Facilitates all Board meetings and ensure the appropriate level of interaction among Board members, subsidiary Board members and Senior Management;

- iii. Ensures a balanced composition of skills, knowledge and experience within the Board and an effective working, reporting and communication mode;
- iv. Leading Board meetings, encouraging active participation and allowing dissenting views to be freely expressed;
- v. Ensures that material matters in respect of the business or governance of the Company or the Group are tabled and deliberated effectively for Board decision-making;
- vi. Monitors the performance of the individual and collective roles of the directors and the Board;
- vii. Maintains a regular and constructive dialogue with the Chief Executive Officer and Senior Management with respect to all material matters affecting the Company and the Group and consults with the other Board members promptly and appropriately; and
- viii. Chairs all meetings with the Shareholders, i.e. Annual General Meeting (“**AGM**”)/ Extraordinary General Meeting (“**EGM**”).

#### **4.5 Role of Chief Executive Officer**

4.5.1 The Chief Executive Officer is the highest-ranking officer across the Group. He/she is responsible for the day-to-day business of the Group, within the authorities as delegated by the Board. The responsibilities of the Chief Executive Officer, amongst others, are as follows:-

- i. Developing and implementing corporate strategies for the Company and the Group;
- ii. Supervising the heads of divisions and departments who are responsible for all functions contributing to the success of the Company and the Group;
- iii. Ensuring the efficiency and effectiveness of the operation for the Company and the Group;
- iv. Assessing business opportunities that could benefit the Company and the Group; and
- v. Bring material and other relevant matters to the attention of the Board in an accurate, effective and timely manner.

4.5.2 As the Company and Group expand their businesses, the division of authority is constantly reviewed to ensure that the efficiency and performance of the Company and Group stay at their peak.



## **4.6 Role of the Management**

4.6.1 The responsibilities of the Management, in general, are:

- i. Developing and proposing for the Board's approval a strategic plan and annual budget for the Company to ensure achievement of the goals set by the Board;
- ii. Communicating with the staff and implementing the strategic plan approved by the Board as well as any decisions of the Board to ensure that the objectives of the Company that were approved by the Board are met;
- iii. Running and managing the operations of the Company in a proper manner and in accordance with the Board's approved strategic plan within the authority limit set by the Board;
- iv. Setting up an appropriate and effective internal control measure and risk management framework. Identifying, assessing, managing and monitoring key risks;
- v. Assisting the Board in the establishment of the Company's or Group's policies by developing such policies for the Board's review and approval for the Company's or Group's adoption and implementation;
- vi. Developing effective management information and internal control systems for the Company to ensure that the integrity and adequacy of the systems are intact;
- vii. Reporting to the Board periodically on the performance of the Group against the approved plan and budget as well as other matters that are under the Board's purview in order to enable the Board to discharge its responsibilities effectively; and
- viii. Reporting to the Board on matters that require their decision or approval or materially significant to the Company and Group.

## **4.7 Dynamic Interaction and Open Communication between the Board and Management**

There must be a strong trust-based relationship between the Board and Management, with the Board constructively challenging and at the same time, supporting Management, and Management in turn reporting in a similar manner.

The Board must be furnished with timely sufficient information, analysis and options to make decisions. The Board may, if necessary, seek independent professional advice at the Company's expense.

The Board and management must have at least one dedicated session annually to challenge and debate strategic issues with Management. The session shall not be held during the scheduled board meeting dates to enable the Board to be focused on strategic issues.

#### **4.8 Internal Control and Risk Management**

The Board oversees, reviews and monitors the operation, adequacy and effectiveness of the Group's system of internal controls.

The Board defines the risk appetite, approves and oversees the operation of the Group's Risk Management Framework, assesses its effectiveness and reviews any major or significant risks facing the Group.

The Company outsourced its internal audit function to a firm of consultants, which provides the Board with the level of assurance required on the adequacy and integrity of the system of internal control. The internal audit function adopts a risk-based approach and prepares its audit strategy and plan based on the updated risk profile of the Company.

The objectives of the assignment are to independently review the system of internal control as established by management, determine the adequacy of such internal control system in relation to the objectives and make appropriate recommendations for improvement.

The Audit and Risk Management Committee considers the report from the internal audit function and management's responses before reporting and making recommendations to the Board on strengthening the risk management and internal control systems.

### **5. DIRECTORS' REMUNERATION**

The policy adopted on Directors' remuneration by the Company is to provide the remuneration packages necessary to attract, retain and motivate Directors of the quality required to manage the business of the Company successfully, taking into consideration all relevant factors, including the function, workload and responsibilities involved.

The Board will determine the level of remuneration for each Board member, taking into consideration the recommendations of the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar Malaysian publicly listed companies.

The Directors shall be paid all their travel and other expenses properly and necessarily expended by them in and about the business of the Company including their travel and other expenses incurred in attending board meetings of the Company.

The Directors concerned shall abstain from voting or discussing their own remuneration.

## **6. BOARD COMMITTEES**

The Board may, from time to time, establish committees as considered appropriate to assist in carrying out its duties and responsibilities. The Board delegated certain functions to the following committees, each operating within its clearly defined terms of reference:

- (i) Audit and Risk Management Committee
- (ii) Nomination Committee
- (iii) Remuneration Committee

(Collectively referred as “Committees”)

The Committees shall operate under clearly defined terms of reference. The Committees are authorised by the Board to deal with and deliberate on matters delegated to them within their terms of reference. These Committees do not make decisions on behalf of the Board or the Company. The Chairperson/Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings and such reports or minutes will be included in the Board papers for the Board’s notification.

### **6.1 Audit and Risk Management Committee (“ARMC”)**

The Audit and Risk Management Committee shall comprise of at least three NEDs, a majority of whom must be Independent Directors. No alternate Director can be appointed as a member of the ARMC. The ARMC will elect an Independent Director from among them as its Chairperson, and shall not be the Chairperson of the Board.

The ARMC meets on a quarterly basis to carry out its functions. In fulfilling its primary objectives, the Audit Committee will need to undertake, inter alia the following functions:

#### **1. Financial Statements**

- i) Review the quarterly results and year-end financial statements of the Company and the Group prior to approval by the Board, focusing particularly on the following:
  - a) any changes in or implementation of major accounting policies and practices;

- b) significant matters highlighted, including financial reporting issues, significant judgments made by the Management, significant and unusual events or transactions, and how these matters are addressed;
- c) significant adjustments resulting from audit;
- d) the going concern assumption; and
- e) compliance with accounting standards, regulatory and other legal requirements.

## 2. **External Audit**

- i) To consider and recommend to our Board the nomination and appointment/ re-appointment of the external Auditors, the audit fees and any questions of resignation or dismissal and whether there is reason (supported by grounds) to believe that the Group's external Auditors are not suitable for re-appointment;
- ii) To review the external Auditors audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and coordination of the external Auditors;
- iii) To review any letter of resignation from the external Auditors and any issues regarding the resignation or dismissal of external Auditors;
- iv) To review any management letter sent by the external Auditors and the Management's response to such letter;
- v) To review the financial statements of the Group with both the external Auditors and the Management;
- vi) To review all related party transactions (including recurring related party transactions) and potential conflict of interest situations that may arise within the Group and the Company;
- vii) To review the external Auditors findings arising from audits, particularly any comments and responses in audit recommendations, as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken; and
- viii) To assess the suitability, objectivity and independence of the external Auditor annually by considering among others;
  - the competence, audit quality and resource capacity of the external Auditor in relation to the audit;
  - the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and
  - assurance from the external Auditors confirming that they are and have been independent throughout the conduct of the audit

engagement in accordance with the terms of all relevant professional and regulatory requirements.

### **3. Internal Audit**

- i) To review the effectiveness and adequacy of the scope, functions, resources and competency of the internal audit function and ensure that they have the necessary authority to carry out their work;
- ii) To review the internal audit program and results of the internal audit process and where necessary, ensure that appropriate actions are taken on the recommendations of the internal Auditors and of the Audit and Risk Management Committee and thereafter report the same to the Board, where necessary;
- iii) To evaluate the performance of the internal audit function, including having an external review periodically to assess the competency of the function;
- iv) To review the major findings of internal audit investigations and Management's response and ensure that appropriate actions are taken on the recommendations of the internal audit function;
- v) To review and approve any appointment or termination of the internal Auditors;
- vi) To take cognizance of the resignation of internal Auditors and provide the resigning internal Auditors an opportunity to submit reasons for resigning;
- vii) Direct any special investigations to be carried out by internal Auditors as and when necessary, and consider the major findings of the internal investigations and Management's response;
- viii) To ensure that the internal audit function reports directly to the Audit and Risk Management Committee; and
- ix) To review the ARMC Report to be published in the Annual Report.

### **4. Risk Management and Internal Control**

- i) To review the adequacy of Group's risk management framework and assess the resources and knowledge of the Management and employees involved in the risk management process for identifying, managing, and monitoring the critical risks that impact the Group;
- ii) To review the effectiveness of internal control systems deployed by the Management to address those risks, they shall be reviewed and evaluated from time to time to ensure they are continuously improved as the business environment changes;
- iii) To engage management in an ongoing risk appetite dialogue and report the same to the Board;

- iv) To review and evaluate the quality and effectiveness of the internal control systems, including their processes within the Group's operation, to mitigate against the risk of inefficiencies and threats to the creation of value for the Group; and
- v) To review the statements to be included in the annual report concerning risk management and internal control.

#### **5. Whistleblowing and Anti-Corruption**

- i) Exercise its power and carry out its responsibilities as may be required from time to time under the Whistleblower Policy and Anti-Corruption policy guided by the Guidelines on adequate procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009; and
- ii) Report to the Board any suspected frauds, irregularities, serious internal control deficiencies or suspected infringements of laws, rules and regulations that come to its attention and are of sufficient importance to warrant the attention of the Board.

#### **6. Other matters**

- i) The ARMC shall carry out any other function that may be mutually agreed upon by the ARMC and the Board, that would be beneficial to the Group and ensure the effectiveness of the discharge of the ARMC's duties and responsibilities;
- ii) The ARMC shall review the terms of reference of the ARMC annually or if necessary;
- iii) The ARMC's actions shall be reported to the Board of Directors with such recommendations as the ARMC deems appropriate;
- iv) If the ARMC is of the view that a matter reported to the Board has not been satisfactorily resolved, resulting in a breach of the AMLR, the ARMC has the responsibility for reporting such matters to the relevant authority. The ARMC shall have the discretion to undertake such action independently from the Board of Directors; and
- v) To consider any other matters as delegated by the Board.

The Committee shall meet with the external auditors without the presence of Executive Directors and Senior Management, at least twice a year.

#### **6.2 Nomination Committee ("NC")**

The Nomination Committee shall comprise of at least three NEDs, the majority of whom are Independent Directors. The Chairperson of the Nomination Committee should be an Independent Non-Executive Director and shall be elected by the Committee from among its members.

The Nomination Committee's primary responsibilities include:

- i. To consider, in making its recommendations to the Board, candidates proposed by any Board of Directors of the Group, any Directors of the Group, any Heads of the Company of the Group and, within the bounds of practicability, by any other Senior Executives or any Shareholders of the Group, for the approval of the respective Board of Directors of the Group. The NC shall also utilise independent services to identify suitably qualified candidates. In making its recommendations, the Committee should consider the candidates':-
  - technical competency, skills, knowledge, expertise and experience;
  - strong sense of professionalism;
  - integrity;
  - merit and against objective criteria with due regard for the benefits of boardroom diversity, including gender, age, ethnicity, cultural background, character;
  - other commitments and time available to contribute inputs to the Board; and
  - in the case of candidates for the position of Independent Non-Executive Directors, the NC should evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors;
- ii. To review Board and Senior Management succession plans;
- iii. To recommend to the Board, Directors to fill the seats on the Board of NC;
- iv. To annually review the Board's required size, structure and composition of the Board of Directors of the Group, mix of skills and experience, diversity (including gender diversity) and other qualities, including core competencies of the Executives or NEDs beneficial to the Board;
- v. To annually review the effectiveness of the Board as a whole and the Board Committees, the contributions of each Director to the respective Board of Directors and the performance of the Managing Director and Executive Directors of the Group. All assessments and evaluations carried out by the NC in the discharge of all its functions should be properly documented;
- vi. To recommend to the respective Board of Directors the removal of a Director or Managing Director or Executive Director if he/ she is ineffective, errant or negligent in discharging his/her responsibilities;

- vii. To develop the criteria to assess independence and to assess, on an annual basis, the independence of the Independent Non-Executive Directors and recommend the same to the Board;
- viii. To ensure that the tenure of its Independent Directors is limited to a cumulative 9 years without further extension. Upon completion of the 9-year period, any competent Independent Director may continue to serve on the Board, subject to the Director's re-designation as Non-Independent Director.
- ix. To recommend the re-election of Directors who retired by rotation pursuant to the Company's Constitution and the re-appointment of Directors who retired pursuant to relevant sections of the CA;
- x. To consider and examine such other matters as the NC considers appropriate;
- xi. To perform exit interviews with Directors and Senior Management leaving the organisation;
- xii. To consider and recommend to the Board the training program for Directors; and
- xiii. To conduct Annual Performance Assessment, as follows:-
  - (i) To review annually the structure, size and composition of the Board, including the skills, knowledge, experience and diversity of the Board and the core competencies that NEDs should bring to the Board;
  - (ii) To assess annually, the effectiveness of the Board as a whole and each Director individually, as well as the effectiveness of the various committees of the Board and to review the results of the performance evaluation thereafter;
  - (iii) To review annually, the term of office, competency and performance of the ARMC and each of its members to determine whether such Committee and its members have carried out their duties in accordance with their terms of reference;
  - (iv) To conduct assessment annually on the independence of each of the Independent Non-Executive Directors to ensure he/she is continually fit and maintain independence in order to provide appropriate scrutiny and impartial judgment;
  - (v) To develop, maintain and review the criteria for evaluating the performance of the Board, the Board of NC and each individual Director; and



- (vi) To conduct board evaluations that are periodically facilitated by a professional, experienced and independent party;
- xiv. Any other such functions as may be delegated by the Board from time to time.

### **6.3 Remuneration Committee**

The Remuneration Committee shall comprise of at least three members, consisting of wholly or mainly NEDs. The Chairperson of the Remuneration Committee should be an Independent Non-Executive Director and shall be elected by the Committee from among its members.

The Remuneration Committee's primary responsibilities include:

- i. To review and establish a compensation, benefits package and salary scales for EDs, NEDs and key Senior Executives of the Group;
- ii. To review and recommend the annual bonus quantum for bonus schemes applicable to EDs, NEDs and key Senior Executives of the Group;
- iii. To review and recommend to the Board of the Group on Director's fees and other remuneration of NEDs linked to their level of responsibilities and contribution to the Group; and
- iv. Any other such functions as may be delegated by the Board from time to time.

## **7. BOARD MEETINGS**

Board Meetings shall be conducted in a business-like manner where all Directors are encouraged to share their views and partake in discussions. No one person should dominate the discussion. The Chairperson shall play a mediator's role to maintain the order of the proceedings in a constructive, productive and effective manner.

### **7.1 Frequency**

- 7.1.1 The Board should meet regularly, at least four times during the financial year of the Company, i.e., on a quarterly basis. Special Board Meetings should be held in addition to the quarterly meetings as and when required. Prior notice of meetings will be given to all who are required to attend the meetings.
- 7.1.2 Board members are required to attend the Board meetings and attendance of each individual Director in the meetings held in a financial year is required to be disclosed in the Annual Report. Other Senior Officers may be invited to attend for particular items within their responsibilities. The Board may also invite external parties such as auditors, solicitors and consultants, as and when the need arises. Such invited parties may attend part or all of the Board meeting at the discretion of the Board.

7.1.3 Additional formal business is dealt with as required, whether by physical, videoconferencing or telephonic meetings, as well as other electronic meetings allowed under the laws or the Company's Constitution. All resolutions, attendance, transactions, quorums and votes obtained through electronic means shall be deemed valid and effective unless they contravene the requirements of relevant statutes and regulations.

7.1.4 All meetings of the Board will be conducted in accordance with the Constitution of the Company and applicable laws.

## **7.2 Agenda and Meeting Papers**

7.2.1 The notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each Board Director no later than 7 days, before the date of the meeting. A Board meeting however, may be convened on shorter notice than 7 days provided that the issue to be deliberated is a matter of urgency.

7.2.2 A well-prepared board agenda will enhance the Board's productivity and strengthen its strategic and supervisory roles. The Chairperson, in conjunction with the ED and the Company Secretary, shall undertake the primary responsibility for preparing the Board's agenda. The agenda shall include, amongst others, matters specifically reserved for the Board's decision.

7.2.3 As a matter of best practice and to allow ample time for Directors to consider the relevant information, Board papers and agenda items are to be circulated at least 7 days prior to the meeting. It is recommended that, where there is a need to table a report, a brief listing of findings and/or recommendations be prepared. Any Director may request the inclusion of any matter on the agenda for a particular Board meeting. The request must be sent 10 days before the meeting for the Chairperson's approval.

## **7.3 Convening a Board Meeting**

7.3.1 The quorum necessary for the transaction of business of the Directors shall be fixed by the Directors from time to time and unless so fixed, the quorum shall comprise two Directors.

7.3.2 Questions arising at any Board meeting shall be decided by a majority of votes, with each Director having one vote. In case of an equality of votes, the Chairperson shall have a second or casting vote, except when only two Directors are present and form a quorum or only two are competent to vote on the question at issue, the Chairperson shall not have a casting vote.

7.3.3 In the event there are personal interests or conflicts of interest in respect of any matter, the Director concerned must declare his interests, excuse himself from the discussion and the meeting and abstain from voting on the matter.

## **7.4 Minutes**

The Company Secretary shall take minutes of the meetings. These minutes shall be forwarded to the Chairperson of the respective meeting for his/ her review prior to tabling at the next succeeding meeting for approval by the member of the Board or Board Committees, as the case may be. The Board shall record its deliberation, in terms of the issues discussed and the conclusions thereof, in discharging its duties and responsibilities.

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

- 7.5.1 All Directors (executive and non-executive) have the same right of access to all information pertaining to the Company whether as a full board or in their individual capacity, in furtherance of their duties and responsibilities as Directors of the Company. The Management should supply accurate and complete information to the Board in a timely manner to enable the Board to discharge its duties effectively.
- 7.5.2 All Directors should have access to the advice and services of the Company Secretary.
- 7.5.3 The full Board or in their individual capacity, in furtherance of their duties, shall be able to obtain independent professional advice, including that of internal and external auditors, at the Company's expense through an agreed procedure laid down formally to enable the directors to discharge their duties with adequate knowledge on the matters being deliberated.
- 7.5.4 Subject to prior approval of the Chairperson, the cost of the advice will be reimbursed by the Company, but the Director will ensure, so far as is practicable, that the cost is reasonable.
- 7.5.5 The Board acknowledges that confidential information received in the course of exercising its duties remains the property of the Group, whether it relates to the Group or another entity. It will not be disclosed unless either the Chairperson of the Board has so authorized in writing or disclosure is required by law.

## **8. COMPANY SECRETARY**

- 8.1 The Company Secretary plays an advisory role to the Board in formulating the Company's constitution and Board policies and procedures. The appointment or removal of a Company Secretary or Secretaries shall be the prerogative of the Board as a whole. The Secretary or Secretaries appointed shall be suitably qualified, competent and capable of providing support to the Board and Committees in carrying out their responsibilities and duties, such as ensuring Board procedures are followed, the applicable rules and regulations are complied with and all matters associated with the Board and Committees are efficiently carried out. They are also responsible for regularly updating and apprising the Board of new regulations issued by the regulatory authorities.

8.2 The Company Secretary is also involved in managing all Board and Committee meetings, attending and recording minutes of all Board and Committee meetings, facilitating Board communication and orientation of new Directors and assisting in Director training and development. They are also involved in managing processes pertaining to the annual general meetings, monitoring Corporate Governance developments, and assisting the Board in applying governance practices to meet the Board's needs and stakeholders' expectations.

## **9. INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION**

### **9.1 Investor Relations**

9.1.1 The Board acknowledges the need for effective Investor Relations (“IR”) and communication with shareholders and investors and to provide them with all relevant information affecting the Company in a timely manner. As such, it adopts an open and transparent policy in respect of its relationship with its shareholders and investors. The Board shall appoint a designated Senior Management to deal with matters relating to investor relations.

9.1.2 Communication is facilitated by a number of formal channels used to inform shareholders about the performance of the Company and the Group. These include the Annual Report and Accounts and announcements made through Bursa Securities, as well as through the AGM which also serves as a forum for the Directors and the Management to engage with the shareholders directly to understand their needs and seek their feedback. The Board welcomes questions and feedback from shareholders during and at the end of shareholders' meetings and ensures their queries are responded to in a proper and systematic manner. Shareholders, investors and analysts are also kept abreast of the major developments of the Company and the Group through the various means of communication, as follows:

- (a) Dialogues with financial analysts from time to time to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests;
- (b) Press conference, which is normally held after a General Meeting and the release of a press statement vetted by the Company's appointed senior manager or investor relations officer. All press releases will be vetted by the appointed senior manager or investor relations officer to ensure that information that has yet to be released to Bursa Securities is not released to the press; and
- (c) Company's website that is updated with corporate information and the Company's activities and performance.

### **9.2 Employees**

Employees are invaluable assets of the Company and play a vital role in helping the Company achieve its vision and mission. The Board endeavours to provide a conducive working environment in their workplace and adopts comprehensive and documented policies and procedures in Occupational Safety and Health with the objective of ensuring safety and health at the workplace for all employees.

### **9.3 Other Stakeholders**

In the course of pursuing the vision and mission of the Company, the Board recognises that no Company can exist by maximising shareholder value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

### **9.4 Social Responsibility**

The Board acknowledges that the Group should play an important role towards the welfare of the community in which it operates and believes in a balanced, sustainable approach to corporate contribution by aligning all efforts and actions with the Company's core values in order to maximise the positive impact on the environment, local communities, education and sport as well as society at large.

## **10. CODE OF ETHICS AND CONDUCT**

The Company's Code of Ethics and Conduct sets out the principles and standards of business ethics and conduct of the Group and this Code of Ethics and Conduct is to be observed by all employees, officers and directors of the Group.

The Board will review the Code of Ethics and Conduct regularly to ensure that it continues to remain relevant and appropriate.

## **11. REVIEW OF BOARD CHARTER**

This Charter and all Board Committees and policies shall be periodically reviewed and updated based on the prevailing regulatory promulgations. This Charter may be amended by the Board as it deems appropriate to ensure its relevance and effectiveness.

This Board Charter was reviewed and adopted by the Board of Directors on 18 August 2020.

Updated: [●]