



**BOARD CHARTER**  
**TAFI INDUSTRIES BERHAD**  
200401002432 (640935-P)

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## **OUR Vision**

To be a global enterprise with sustainable growth.

## **OUR Mission**

To continuously develop core competencies to achieve competitive advantage and building a global enterprise that lasts

- To delight our customers by providing quality support through value added products and services
- To provide conducive environment where employees can excel through our commitment to continuous training and development
- To practise corporate social responsibility and a culture that is environmentally responsive
- To build strategic partnership in the supply chain for sustainable growth
- To continuously deliver above average industry returns to shareholders

## INTRODUCTION

The Board of the Company is responsible for the overall corporate governance of the TAFI Group, including its ethical behaviour, strategic direction, establishing goals for management and monitoring the achievement of those goals with a view to optimising Company performance, maximizing shareholder value and safeguarding the stakeholders' interest.

All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

The management shall support the Executive Directors (amended on 16 October 2020) and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

The responsibility for the operation and administration of the Group of Companies is delegated by the Board to the Executive Directors (amended on 16 October 2020).

All Board members are responsible to the Company for achieving a high level of good corporate governance.

This Board Charter shall constitute and form an integral part of each Director's roles and responsibilities.

## OBJECTIVES

The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their roles 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.

## ROLES AND RESPONSIBILITIES

### (A) ROLE OF BOARD

The Board is responsible for the proper stewardship of the Company and its subsidiaries (collectively referred as “Group”). Hence, the Board should collectively have sound and sufficient knowledge and expertise to enable effective governance and oversight.

In discharging its responsibilities and facilitating its on-going oversight of the Group, the Board has agreed its role includes, but not limited to the following matters:-

#### 1.0 Ethics and Compliance

- 1.1 The Board is charged with leading and managing the Group in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Group. The Directors are, collectively and individually, aware of their responsibilities to the shareholders and stakeholders for the manner in which the affairs of the Company are managed. The Board sets the Group’s values and standards and ensures that its obligations to its shareholders and stakeholders are understood and met.

The Board is guided by the Directors’ Code of Ethics in discharging its oversight role effectively. The Code of Ethics requires all Directors to observe high ethical business standards, honesty and integrity and to apply these values to all aspects of the Group’s business and professional practice and act in good faith in the best interests of the Group and its shareholders.

- 1.2 The Board understands that the responsibility for good Corporate Governance rests with them and therefore strives to follow the principles and best practices stated in the Malaysian Code on Corporate Governance (“MCCG”). The Board includes a narrative statement in its Company’s Annual Report on the extent of compliance with the principles and best practices in Corporate Governance pursuant to the Listing Requirements (“LR”).
- 1.3 The Board shall meet at least four (4) times in each financial year to facilitate the discharge of their responsibilities. The meetings may be conducted by means of telephone conference, video conference or any other form of audio or audio-visual instantaneous communication and the participation in the meeting pursuant to this provision shall constitute presence in person of such meeting. Members of the Management who are not Directors may be invited to attend and speak at meetings on matters relating to their sphere of responsibility.  
*(amended on 16 October 2020)*
- 1.4 The Board establishes the corporate vision and mission, as well as the philosophy of the Company, setting the aims of the Management and monitoring the performance of the Management.
- 1.5 The Board is proactive in upholding good ethics and integrity including establishing, reviewing and implementing policies and procedures on anti-corruption and whistleblowing.  
*(added on 23 February 2017)*

1.6 The Board assumes the following specific duties in accordance to the Limits of Authority:-

1.6.1 Providing input into and final approval of the annual operating budget.

1.6.2 Approving major capital expenditure, capital management and acquisitions/divestitures.

1.7 Major Responsibilities of the Board

1.7.1 *Reviewing and adopting a strategic plan for the Group.*

The role of the board is to review, challenge and approve management's proposal on a strategic plan for the Group. The board brings objectivity and breadth of judgment to the strategic planning process as they are not involved in day-to-day management of the business. The board should satisfy itself that management has taken into account all appropriate considerations in establishing the strategic plan for the Group. The board is also responsible for monitoring the implementation of the strategic plan by management.

1.7.2 *Overseeing the conduct of the Group's business.*

A basic function of the board is to oversee the performance of management to determine whether the business is being properly managed. The board's obligation to oversee the performance of management contemplates a collegial relationship that is supportive yet vigilant. Therefore, the board must ensure that there are measures in place against which management's performance can be assessed.

1.7.3 *Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures.*

The board must understand the principal risks of all aspects of the Group's business and recognise that business decisions involve the taking of appropriate risks. This is intended to achieve a proper balance between risks incurred and potential returns to shareholders. The board must therefore ensure that there are systems in place which effectively monitor and manage these risks.

1.7.4 *Succession planning.*

The board should ensure that all candidates appointed to senior management positions (i.e. position of General Manager and above) are of sufficient caliber. The board should also be satisfied that there are programmes in place to provide for the orderly succession of senior management.

- 2.0 Policies and Strategies
- 2.1 The Board has established written procedures (such as Constitution of the Company, Board Charter and other documents) determining which issues require a decision of the full Board and which issues can be delegated to Board Committees or the Management.
- 2.2 The Board oversees the Company Policies as a whole. This includes the Code of Business Conduct, Whistleblowing Policy and other significant policies recommended under MCGG. The Code of Business Conduct promotes ethical values and standards in the workplace while ensuring appropriate internal systems are in place to support, promote and ensure its compliance. The Whistleblowing Policy sets the appropriate communication channels to facilitate whistleblowing by employees, customers, suppliers and other stakeholders.
- 2.3 The Board reserves full decision-making powers on the following matters:
- 2.3.1 Conflict of interest issues relating to a substantial shareholder or a Director.
- 2.3.2 Material acquisitions and disposition of assets not in the ordinary course of business.
- 2.3.3 Investments in capital projects.
- 2.3.4 Authority levels.
- 2.3.5 Treasury policies and bank mandate.
- 2.3.6 Risk management policies.
- 2.3.7 Key human resource issues.
- 2.4 The matters listed in **Appendix D** are reserved for the collective decision of the Board.
- 3.0 Internal Controls and Risk Management
- 3.1 The Board oversees, reviews and monitors the operation, adequacy and effectiveness of Group's system of internal controls.
- 3.2 The Board shall ensure that Management has in place appropriate processes for risk management, assessing its effectiveness and reviewing any major/significant risk facing the Group.
- 3.3 The Group has internal audit function, which critically reviews all aspects of the Group's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis.

Internal Auditors shall have direct access to the Board through the Chairman of the Audit Committee.

**(B) ROLE OF INDIVIDUAL DIRECTORS**

- 1.0 Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Directors. Broadly these include:-
  - 1.1 Acting in good faith and in the best interests of the Company as a whole.
  - 1.2 Acting with care and diligence and for proper purpose.
  - 1.3 Avoiding conflicts of interest with the Company in a personal or professional capacity.
  - 1.4 Refraining from making improper use of information gained through the position of director and from taking improper advantage of the position of director.
- 2.0 Directors will keep all Board information, discussions, deliberations and decisions that are not publicly known confidential and not use information gained through the Board for their interest, or their employers' interest.

**(C) ROLES OF INDEPENDENT DIRECTOR/SENIOR INDEPENDENT DIRECTOR**

*(added "Senior Independent Director on 8 February 2022)*

**INDEPENDENT DIRECTOR**

- 1.0 To execute their role, independent directors, have similar responsibilities to those of other directors. The fiduciary duties of care, diligence and acting in good faith apply equally to independent directors as to other directors. In view of faith imposed on them by various agencies they are more bound to execute their functions with impartiality.
- 2.0 It is necessary for the independent directors to:
  - 2.1 Prepare themselves thoroughly for the meeting.
  - 2.2 Be objective in forming sound decisions relating to the Company and its business.
  - 2.3 Be open minded, free and frank in expressing their opinions and at the same be willing to engage in meaningful debates.
  - 2.4 Be committed to decisions made as a Board.
  - 2.5 Regularly seek information both from within and if required outside professional knowledge to keep abreast with the latest developments in the areas of the Company's operations.
  - 2.6 Constructively challenging and contributing to the development of the business strategies and direction of the Company,

- 2.7 Mitigating any possible conflict of interest between the policy-making process and day-to-day management of the Company.
  - 2.8 Be informed on laws and regulations influencing their functioning as directors.
  - 2.9 Utilise the expertise they possess to the good advantage of the Company.
- 3.0 The most important role those independent directors play directly in relation to the board is the objective view that they bring in while evaluating the board and the management decisions, creating a balance in the interest of the shareholders. These areas are executive remuneration, succession planning, and changes in corporate control, take-overs and acquisitions and the audit function.

**SENIOR INDEPENDENT DIRECTOR** *(added on 8 February 2022)*

- 1.0 To provide a sounding board for the Chairman and serve as an intermediary for the other directors when necessary.
- 2.0 To be available to shareholders if they have concerns which contact through the normal channels of chairman, chief executive or other executive directors has failed to resolve or for which such contact is inappropriate.
- 3.0 To attend any meetings with a range of major shareholders to listen to their views to help develop a balanced understanding of the issues and concerns of major shareholders.
- 4.0 To meet with other non-executive directors at least annually to appraise the Chairman's performance (considering the views of the executive directors) and on such other occasions as that may be deemed appropriate.

**(D) ROLE OF CHAIRMAN**

The position of the Chairman of the Board and the Group Managing Director of the Company is to be held by different individuals. Each of them has clearly defined duties and authority thus ensuring balance of power and greater capacity for independent decision-making.

*(added on 16 October 2020)*

- 1.0 The Chairman leads the Board and is responsible for the effective performance of the Board.
- 2.0 The Chairman is responsible for:
  - 2.1 Leading the Board in the adoption and implementation of good governance practices in the Company. *(amended on 8 February 2022)*
  - 2.2 Maintaining a relationship of trust with and between the Executive and Non-Executive Directors.
  - 2.3 Ensuring the provision of accurate, timely and clear information to Directors.

- 2.4 Ensuring effective communication with shareholders and relevant stakeholders.
- 2.5 Arranging evaluation of the performance of the Board, its Committees and individual Directors.
- 2.6 Facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors.
- 2.7 Facilitating the on-going development of all Directors.
- 2.8 Leading and ensuring the effectiveness of the Board by among others, encouraging healthy debates by all directors, allowing sufficient time for discussion of issues and ensuring that the Board's decisions fairly reflect Board consensus.  
*(added on 23 February 2017)*
- 3.0 The Chairman, in consultation with the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda.
- 4.0 The Chairman ensures orderly conduct and proceedings of the Board and general meetings and is responsible for managing the business of the Board to ensure that:
  - 4.1 All Directors are properly briefed on issues arising at Board meetings.
  - 4.2 Sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion.
  - 4.3 The issues discussed are forward looking and concentrates on strategy.
  - 4.4 Should the Chairman be absent from a meeting, the members of the Board present at the meeting, may choose one of their number to chair the said meeting.

## **(E) ROLE OF GROUP MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER**

### **1.0 ROLE OF GROUP MANAGING DIRECTOR (“GROUP MD”)**

*(added on 16 October 2020)*

The Group MD leads the Directors in ensuring the effectiveness of all aspects of their role. His responsibilities include:-

- 1.1 Providing leadership to the Board;
- 1.2 Overseeing the Board to discharge of its duties effectively;
- 1.3 Ensuring that quality information to facilitate decision-making is delivered to Board members on a timely basis;

- 1.4 Determining the Company's strategic objectives and policies;
- 1.5 Implementing the strategic plans as approved by the Board and ensuring the Board's directions are responded to; and
- 1.6 Monitoring progress towards achieving the objectives and policies of the Group.

## 2.0 **ROLE OF CHIEF EXECUTIVE OFFICER ("CEO")**

- 2.1 The CEO is primarily accountable for overseeing the day-to-day operations to ensure the smooth and effective running of the Group.
  - 2.2 The CEO is responsible for the development and implementation of the strategies for the Group and setting the overall strategic policy and direction of the Group's business operations based on effective risk management controls.
  - 2.3 The CEO ensures that the financial management practice is performed at the highest level of integrity and transparency and that the business and affairs of the Group are carried out in an ethical manner and in compliance with the relevant laws and regulations.
  - 2.4 The CEO provides effective leadership to the Group and is responsible for ensuring high management competency and that an effective management succession plan is in place to sustain continuity of operations.
  - 2.5 The CEO is the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions.
- 3.0 The Group MD and/or CEO implements the policies, strategies and decisions adopted by the Board. All Board authorities conferred on the Management is delegated through the Group MD and/or CEO and this will be considered as the Group MD and/or CEO's authority and accountability as far as the Board is concerned.

## **(F) ROLE OF COMMITTEE**

- 1.0 The Board appoints the following Board Committees with specific Terms of Reference:
  - 1.1 Audit Committee
  - 1.2 Nominating Committee
  - 1.3 Remuneration Committee
- 2.0 Independent and Non-Executive Directors play a leading role in these Committees. Management and third parties are co-opted to the Committees as and when required.
- 3.0 The respective committees' terms of reference are set out in the **Appendices A, B and C.**

- 4.0 The Chairman of the Board shall not be a member of the Audit Committee, Nomination Committee and Remuneration Committee. *(added on 8 February 2022)*

**(G) GUIDELINES FOR MEMBERSHIP OF THE BOARD**

1.0 Size and Composition

- 1.1 1.1.1 At least two (2) or nearest to one-third of the Board members, whichever is higher, are Independent Directors.

- 1.1.2 In the event of any vacancy in the Board, resulting in non-compliance with above, the vacancy shall be filled within three (3) months.

*(added on 16 October 2020)*

- 1.2 The Board consists of qualified individuals with diverse experiences, backgrounds and perspectives. The composition and size of the Board is such that it facilitates the making of informed and critical decisions. The Constitution of the Company provides that there will be a minimum of two (2) directors and a maximum of twelve (12) directors.

*(amended on 26 February 2026)*

1.3 Qualifications for membership of the Board include:

- 1.3.1 Appropriate knowledge, understanding and experience of the conduct of the business, as well as the laws, customs and values that govern the activities of the organisation.

- 1.3.2 Ability to make informed business decisions and recommendations.

- 1.3.3 Entrepreneurial talent for contributing to the creation of shareholder value.

- 1.3.4 Ability to ask sensible questions.

- 1.3.5 High ethical standards and profession approach to duties as well as sound practical sense.

- 1.3.6 Ability to see the wider picture and perspective, with some benefit of international experience.

- 1.3.7 Integrity in personal and business dealings.

- 1.3.8 Proactive and total commitment to furthering the interest of the Company's shareholders and to achieve the Company's goals

1.4 A Non-Executive Director is considered an individual who:

- 1.4.1 has no direct or indirect pecuniary interest in the Company other than his/her Director's emoluments and his/her "permitted" shareholdings in the Company;

- 1.4.2 is not an employee of the Company or affiliated with it in any other way and is not involved in the day-to-day running of the Company's business but may have pecuniary interests in the Company, whether direct or indirect; or
  - 1.4.3 is not an employee of the Company but standing as a nominee for a substantial shareholder.
- 1.5 Key competencies required for Non-Executive Directors:-
- 1.5.1 To contribute an independent view to matters under consideration.
  - 1.5.2 Ability to add value to Board deliberations.
  - 1.5.3 To contribute to the breadth and depth of experience of the Board.
  - 1.5.4 Ability to clearly communicate.
  - 1.5.5 Ability to demonstrate a wide and unfettered perspective on issues and bring to the Board, integrity and a strong sense of ethics.
  - 1.5.6 Organisational and strategic awareness and an appropriate level of financial literacy.
  - 1.5.7 Knowledge on the responsibilities of a Director.
  - 1.5.8 Ability to constructively collaborate as part of a team contributing towards the successful performance of the Company.
  - 1.5.9 Possess appropriate and relevant industry-specific knowledge and experience.
- 1.6 An Independent Non-Executive Director is considered an individual who:
- 1.6.1 Is not an Executive Director of the Company or any related corporation of the Company.
  - 1.6.2 Has not been within the last three (3) years and is not an officer (except as a Non-Executive Director) of the Company or any related corporation of the Company.  
*(amended on 16 October 2020)*
- For this purpose, "officer" shall have the meaning given in Section 2 of the Companies Act, 2016.*
- 1.6.3 Is not a major shareholder of the Company or any related corporation of the Company.
  - 1.6.4 Is not a family member of any Executive Director, officer or major shareholder of the Company.

*For this purpose, "family member" means spouse, parent, brother, sister, child (including adopted or step child) and spouse of his child, brother or sister.*

- 1.6.5 Is not acting as a nominee or representative of any Executive Director or major shareholder of the Company or any related corporation of the Company.
  - 1.6.6 Has not been engaged as a professional adviser by the Company under such circumstances as prescribed by Bursa Securities either personally or through a firm or company of which he is a partner, director (except as an Independent Director) or major shareholder, as the case may be.
  - 1.6.7 Has not been engaged in any transaction with the Company under such circumstances as prescribed by Bursa Securities or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has been engaged in any transaction with the Company under such circumstances as prescribed by Bursa Securities.
- 1.7 The above guidelines 1.6 must be applied with common sense and the Board must give effect to the spirit, intention and purpose of the above definition and criteria. Directors should be able to determine if they have an interest or relationship which is likely to have impact on their independence. As such, Directors are expected to advise the Chairman immediately if they believe that they may no longer be independent. Should the Chairman or any other Director have any concern about the independence of a Director, he/she must immediately raise the issue with that Director and, if the issue is not resolved, with the Board.

## 2.0 Nomination and Appointments

- 2.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nominating Committee.
- 2.2 The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.
- 2.3 Upon the appointment of a new Director, the new board member shall be briefed on the terms of their appointment, their duties and obligations and on the operations of the Group. Copies of the following shall be provided to the newly appointed Directors:-
  - 2.3.1 Board Charter
  - 2.3.2 Constitution of the Company

### 2.3.3 Latest Annual Report

### 2.3.4 Organisation Chart

- 2.4 The Company Secretary shall explain the restrictions to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities. Thereafter, all Directors are provided with appropriate briefings on the Company's affairs and up-to-date Corporate Governance materials published by the relevant bodies.
- 2.5 The directorships held by any Board member at any one time shall not exceed five in listed companies.

## 3.0 Time Period of Office

- 3.1 An election of Directors shall take place each year. At the Annual General Meeting in every subsequent year, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the Annual General Meeting in every year provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.

*(amended on 16 October 2020)*

- 3.2 The Directors to retire in every year shall be the Directors who have been longest in office since the Directors' last election, but as between persons who become Directors on the same day, the Directors to retire shall be determined by lot, unless they otherwise agreed among themselves.

*(amended on 16 October 2020)*

- 3.3 New Board members will only hold office until the next annual general meeting, and will then be eligible for re-election.
- 3.4 The tenure of an Independent Director should not exceed a cumulative term of nine (9) years.

Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to that Director's re-designation as a Non-Independent Director. However, the Board may retain as an Independent Director, a person who has served in that capacity for more than nine (9) years provided shareholders' annual approval has been obtained through a two-tier voting process.

An Independent Non-Executive Directors who served for a cumulative period of more than twelve (12) years from the date of his / her appointment as an Independent Non-Executive Director must resign or be re-designated as Non-Independent Non-Executive Director in the Company.

*(amended on 3 April 2024)*

#### 4.0 Independence

- 4.1 An Independent Non-Executive Director is independent of management and free of any significant business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement, and who otherwise meet the criteria for independence.
- 4.2 The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.
- 4.3 The Independent Directors help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.
- 4.4 The views of the Independent Directors should carry significant weight in the Board's decision-making process.
- 4.5 The Board undertakes to assess the independence of the Independent Directors on an annual basis upon readmission or when any new interest or relationship develops.

#### 5.0 Time commitment of Director for accepting new directorships

- 5.1 Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Company.
- 5.2 Any Director shall notify the Chairman before accepting any new directorship in other public companies or companies which are subsidiaries of public companies.

### **(H) PERFORMANCE OF THE BOARD**

#### 1.0 Directors' Assessment / Board Evaluation

- 1.1 The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Committees. The Board reviews and evaluates its own performance and the performance of its Committees on an annual basis.
- 1.2 The Board evaluation comprises a Board Assessment, an Individual (Self & Peer) Assessment and an Assessment of Independence of Independent Directors.
- 1.3 The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and

- responsibilities of the Board, the Board Committee and the Chairman's role and responsibilities.
- 1.4 For Individual (Self & Peer) Assessment, the assessment criteria include contribution to interaction, quality of inputs, and understanding of role.
- 1.5 The criteria for assessing the independence of an Independent Director include the relationship between the Independent Director and the Company and his involvement in any significant transaction with the Company.
- 2.0 Directors' Training and Development
- 2.1 In addition to the mandatory programmes as required by the Bursa Securities, Board members are encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Company's operations and business.
- 2.2 The Nominating Committee shall assess the training needs of the Directors and ensure Directors have access to continuing education programme.
- 2.3 The Board shall disclose in the Annual Report the trainings attended by the Directors.

## **(I) MEETING**

- 1.0 Board Meeting
- 1.1 The Company aims to provide all Directors with timely and quality information and in a form and manner appropriate for them to discharge their duties effectively.
- 1.2 The Management is responsible for providing the Board with the required information in an appropriate and timely manner. The Chairman, assisted by the Company Secretary, assesses the type of information required to be provided to the Board. If the information provided by the Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.
- 1.3 A full agenda and comprehensive Board papers and meeting materials at least seven (7) business days in advance.  
*(amended on 23 February 2017)*
- 1.4 Upon conclusion of the meeting, the minutes are circulated in a timely manner to Board members.
- 1.5 Full Board minutes of each Board meeting are kept by the Company Secretary and are available for inspection by any Director during office hours.
- 2.0 Annual General Meeting ("AGM")

- 2.1 The Board regards the AGM as an important event in the corporate calendar. It is encouraging all Board of Directors and key senior executives attend the said AGM annually. In case of any unforeseen circumstances, at least a majority of the Board of Directors and key senior executives should attend the AGM. *(amended on 16 October 2020)*
- 2.2 The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.
- 2.3 The Company must ensure that any vote of shareholders taken at the AGM on the resolution approving Related Party Transaction ("RPTs") is taken on a poll. RPTs with percentage ratio of 5% or more requires the prior approval of shareholders.
- 2.4 To encourage poll voting during the AGM, the Chairman shall inform shareholders of their right to demand for a poll at the commencement of the meeting.
- 2.5 The Chairman and, where appropriate, the Group MD and/or CEO responds to shareholders' queries during the meeting. Where necessary, the Chairman/Group MD/CEO will undertake to provide answer to any significant question that cannot be readily answered at the meeting.
- 3.0 Extraordinary General Meeting ("EGM")
- 3.1 The Board will consider requisitions by shareholders to convene an EGM or any other urgent matters requiring immediate attention of the Company.

## **(J) REMUNERATION POLICY**

- 1.0 The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.
- 2.0 The level of remuneration for the Group MD and/or CEO and Executive Directors is determined by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.
- 3.0 The Group MD and/or CEO and Executive Directors shall have a service contract with the Company.
- 4.0 There is adequate disclosure in the Annual Report with a note on the remuneration of Directors.

## **(K) ACCESS TO INFORMATION AND INDEPENDENT ADVICE**

- 1.0 Directors may access such information and seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgment in decision making.
- 2.0 Directors will be entitled to:
  - 2.1 Access members of the senior management at any time to request relevant and additional information or seek explanations.
  - 2.2 Have access to internal and external auditors, without management present to seek explanations or additional information.
  - 2.3 Seek independent professional advice with the Chairman's prior consent, which will not be unreasonably withheld or delayed, and which will be at the Company's expense.

## **(L) FINANCIAL REPORTING**

- 1.0 Transparency
  - 1.1 The Directors ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards.
  - 1.2 The Company's practice is to announce to Bursa Securities its quarterly financial results as early as possible within two months after the end of each quarterly financial period.
  - 1.3 The Auditors Report shall contain a statement from the Auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements.
- 2.0 Company Auditors
  - 2.1 The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company Auditors through its Audit Committee
  - 2.2 The Audit Committee also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company Auditors. The Company ensures that the Company Auditors do not supply a substantial volume of non-audit services to the Company.
  - 2.3 Appointment of the Company Auditors is subject to approval of shareholders at General Meetings. The Company Auditors have to retire during the AGM every year and be re-appointed by shareholders for the ensuing year.

## **(M) SHAREHOLDERS COMMUNICATIONS**

### 1.0 Investor Relations

- 1.1 The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.
- 1.2 The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.
- 1.3 The Company conducts dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.
- 1.4 The Company leverage on information technology for effective dissemination of information.

### 2.0 Other Stakeholders

- 2.1 In the course of pursuing the vision and mission of the Company, the needs and interests of other stakeholders are also taken into consideration.

### 3.0 Employees

- 3.1 The Board acknowledges that the employees are invaluable assets of the Company and play a vital role in achieving the vision and mission of the Company.
- 3.2 The Company adopts policies and procedures with respect to the Occupational safety and health with the objective of providing a safe and healthy working environment for all employees

### 4.0 Environment

- 4.1 The Board acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the Company's vision and mission.
- 4.2 The Company adopts policies and procedures as part of its commitment to protect the environment and contribute towards sustainable development

### 5.0 Social Responsibility

- 5.1 The Board acknowledges that the Company should play a vital role in contributing towards the welfare of the community in which it operates.
- 5.2 The Company supports charitable causes and initiatives on community development projects.

#### **(N) COMPANY SECRETARY**

- 1.0 The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.
- 2.0 The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance matters.
- 3.0 The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.
- 4.0 The Company Secretary should advise Directors of their obligations to adhere to matters relating to:
  - 4.1 Disclosure of interest in securities
  - 4.2 Disclosure of any conflict of interest in a transaction involving the Company
  - 4.3 Prohibition on dealing in securities
  - 4.4 Restriction on disclosure of price-sensitive information.
- 5.0 The Company Secretary must keep abreast of, and inform, the Board of current governance practices.
- 6.0 The Board members have unlimited access to the professional advice and services of the Company Secretary.

#### **(O) CONFLICT OF INTERESTS**

- 1.0 Directors must:
  - 1.1 disclose to the Board (through the Secretary and/or Chairman) any actual or potential conflicts of interest which may exist or be thought to exist as soon as they become aware of the issue
  - 1.2 take any necessary and reasonable measures to try to resolve the conflict
  - 1.3 comply with the Companies Act provisions on disclosing interests and restrictions on voting

- 2.0 If a conflict or potential conflict situation exists, it is required that the conflicted Director shall be absent from the meeting whilst the Board discusses the matter and not vote on the matter, unless the other directors who do not have a material personal interest in the matter have passed a resolution that states that those directors are satisfied that the interest should not disqualify the director from being present.
- 3.0 Directors are expected to advise the Company Secretary of any proposed Board or executive appointment to other companies as soon as practicable.

**(P) APPLICATION**

- 1.0 The principles set out in this Charter are:
- 1.1 Kept under review and updated as and when necessary or as practices on Corporate Governance develop and further guidelines on Corporate Governance are issued by the relevant regulatory authorities.
- 1.2 Summarised in the Annual Report as part of a narrative statement by the Directors on Corporate Governance.
- 2.0 The Board endeavours to comply at all times with the principles and practices set out in this Charter.
- 3.0 The Board will review this Charter from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices.

History of Board Charter:-

- (1) First tabling at the Board Meeting held on 25 February 2014  
(2) Second tabling at the Board Meeting held on 20 May 2014  
(3) Third tabling at the Board Meeting held on 23 February 2017  
(4) Circulation to the Board and approved via resolution on 16 October 2020  
(5) Circulation to the Board and approved via resolution on 8 February 2022

**AUDIT COMMITTEE**  
**-TERMS OF REFERENCE**

**1. COMPOSITION**

The Audit Committee shall be appointed amongst the Board members which fulfils the following requirements:-

- 1.1 shall comprise no fewer than three (3) members;
- 1.2 a majority of whom, including the Chairman, shall be independent directors and all members should be non-executive directors;
- 1.3 at least one (1) member must be a member of the Malaysian Institute of Accountants or possess such other qualifications and/or experience as approved and prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities");
- 1.4 shall not comprise of any alternate director of the Company; and
- 1.5 any former key audit partner must have observed a cooling-off period of at least 3 years before one is eligible for appointment as Audit Committee members

*(added on 16 October 2020)*

**2. RESIGNATION** *(added on 16 October 2020)*

The term of an Audit Committee member shall automatically be terminated when he ceased to be a Director.

In the event of any vacancy with the result that the number of members is reduced to below three (3), the vacancy shall be filled within three (3) months.

**3. REVIEW OF THE AUDIT COMMITTEE**

The terms of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once every three (3) years to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

**4. CHAIRMAN**

The Chairman of the Audit Committee is not the Chairman of the Board.

*(added on 16 October 2020)*

The Chairman shall be an Independent Director. In the absent of the Chairman, the meeting shall be chaired by an independent director.

The Chairman should engage on a regularly basis with senior management, such as the chief executive officer, the chief operating officer, the group financial controller, the Internal Auditors and the External Auditors in order to be kept informed of matters affecting the company.

**AUDIT COMMITTEE  
-TERMS OF REFERENCE (Con't)**

**5. COMMITTEE SECRETARY**

The Company Secretary shall be the Secretary of the Audit Committee and shall have the following key responsibilities:-

- 5.1 Ensure meetings are arranged and held accordingly;
- 5.2 Assist the Chairman in planning the Audit Committee Meeting;
- 5.3 Draw up meeting agendas in consultation with the Audit Committee Chairman, maintain the minutes, and draft its scheduled activities for the financial year;
- 5.4 Ensure structured communication channels between the Board and the Audit Committee;
- 5.5 Ensure proceedings of meetings are recorded and the minutes circulated to and confirmed by the Audit Committee Chairman before disseminating them to the Board; and
- 5.6 Ensure Audit Committee's recommendations presented to the Board are supported by papers, including minutes that explain the rationale for the proposal.

**6 QUORUM AND FREQUENCY OF MEETINGS**

- 6.1 The Audit Committee shall meet at least four (4) times in each financial year and may regulate its own procedure in lieu of convening a formal meeting by means of telephone conference, video conference or any other form of audio or audio-visual instantaneous communication and the participation in the meeting pursuant to this provision shall constitute presence in person of such meeting.

The quorum for a meeting shall be the majority of members present, who shall be independent directors.

- 6.2 The Audit Committee may call for a meeting as and when required with reasonable notice as the Committee Members deem fit.
- 6.3 All decisions at such meeting shall be decided by a majority of votes.
- 6.4 The External Auditors and Internal Auditors shall have the right to appear at any meeting of the Audit Committee and shall appear before the Committee when required to do so by the Committee. The External Auditors may also request a meeting if they consider it necessary.

**7. PRIVATE SESSION WITH THE EXTERNAL AUDITORS**

The Audit Committee should meet the External Auditors without executive board members present at least twice a year.

**AUDIT COMMITTEE  
-TERMS OF REFERENCE (Con't)**

**8. RIGHTS**

The Audit Committee shall:

- 8.1 have the authority to investigate any matter within its terms of reference;
- 8.2 have the resources which are required to perform its duties;
- 8.3 have full and unrestricted access to any information pertaining to the Group;
- 8.4 have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- 8.5 have the right to obtain independent professional or other advice at the Company's expense;
- 8.6 have the right to convene meetings with the external auditors, excluding the presence of the executive board members, at least twice a year and whenever deemed necessary;
- 8.7 promptly report to Bursa Securities, or such other name(s) as may be adopted by Bursa Securities, matters which have not been satisfactorily resolved by the Board of Directors resulting in a breach of the listing requirements;
- 8.8 have the right to pass resolutions by a simple majority vote from the Committee and that the Chairman shall have the casting vote should a tie arise;
- 8.9 meet as and when required on a reasonable notice; and
- 8.10 the Chairman shall call for a meeting upon the request of the External Auditors.

**9. DUTIES AND RESPONSIBILITIES**

The Audit Committee, as required by applicable laws, rules, or regulations and otherwise to the extent it deems necessary or appropriate, shall:-

**9.1 External Audit**

- 9.1.1 To consider the appointment and/or re-appointment of auditors, the audit fee and non-audit fee services, and any questions of resignation or dismissal including recommending the nomination of person or persons as auditors to the Board.
- 9.1.2 To have policies and procedures to assess the suitability and independence of External Auditors.

**AUDIT COMMITTEE  
-TERMS OF REFERENCE (Con't)**

- 9.1.3 To review with the External Auditors on:
- the audit plan, its scope and nature;
  - the audit report;
  - the results of their evaluation of the accounting policies and systems of internal accounting controls within the Group; and
  - the assistance given by the officers of the Company to external auditors, including any difficulties or disputes with Management encountered during the audit.
- 9.1.4 To review with the Management:-
- audit reports and management letter issued by the External Auditors and the implementation of audit recommendations;
  - interim financial information/ report; and
  - the assistance given by the officers of the Company to the External Auditors.

9.2 **Internal Audit**

- 9.2.1 To discuss problems and reservations arising from interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary).
- 9.2.2 To review the adequacy of the scope, functions and resources of the internal audit function.
- 9.2.3 To 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.

9.3 **Risk Management and Internal Control**

- 9.3.1 To recommend such measures as to be taken by the Board on the effectiveness of the system of internal control and risk management practices of the Group.
- 9.3.2 To evaluate the quality and effectiveness of Company's internal control system and management information systems, including in compliance with applicable laws, rules, corporate governance requirements and guidelines.
- 9.3.3 To recommend to the Board the Directors' Statement on Risk Management and Internal Control and any changes to the said Statement.

**AUDIT COMMITTEE  
-TERMS OF REFERENCE (Con't)**

9.4 **Whistleblowing and fraud**

To review the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action; and review the company's procedures for detecting fraud.

9.5 **Overseeing Financial Reporting**

9.5.1 To monitor the integrity of the financial statements of the Company, including the quarterly reports on consolidated results and annual financial statements before recommendation to the Board for approval for releasing to the Bursa Securities, focusing particularly on:

- changes in or implementation of major accounting policy and practices;
- significant and/or unusual matters arising from the audit;
- the going concern assumption; and
- compliance with accounting standards and other legal requirements.

9.5.2 To assess whether the financial report represents a true and fair view of the Company's performance and ensure compliance with the regulatory requirements.

9.6 **Reporting Responsibilities**

9.6.1 To report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

9.6.2 To make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

9.7 **Related Party Transaction and Conflict of Interest** (amended on 21 February 2024)

9.7.1 Reviewing any related party transaction and conflict of interest situation that arose, persist or may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts.

9.7.2 To monitor related party transactions entered into by the Company or the Group and to determine if such transactions are undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and to ensure that the Directors report such transactions annually to the shareholders via the annual report, and to review conflicts of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

**AUDIT COMMITTEE  
-TERMS OF REFERENCE (Con't)**

9.8 **Other Matters**

- 9.8.1 To verify the allocation of options pursuant to a share scheme for employees as being in compliance with the criteria for allocation of options under the share scheme, at the end of each financial year.
- 9.8.2 To report to Bursa Securities, if the Committee views that a matter resulting in a breach of the Main Market Listing Requirements reported by the Committee to the Board has not been satisfactorily resolved by the Board.
- 9.8.3 To report to Bursa Securities, if there is any related party transaction which exceeded the Shareholders' Mandate and provide full reasoning and detailed explanations.

9.9 **Resolution in Writing** *(added on 16 October 2020)*

A resolution in writing signed by a majority of members of the Audit Committee for the time being entitled to receive notice of an Audit Committee meeting, shall be as valid and effectual as if it had been passed at a meeting of the Audit Committee duly convened and held.

**10 TERMS OF REFERENCE**

The terms of reference should be assessed, reviewed and updated at least once every three years by the Audit Committee or as and when there are changes to the Malaysian Code of Corporate Governance and the Main Market Listing Requirements.

The Audit Committee should recommend any change to the terms of reference to the Board for approval.

The assessment of the Audit Committee's terms of reference should be a vigorous process taking into consideration the Company's circumstances and any new regulations that may have an effect on the Audit Committee's responsibilities.

**NOMINATING COMMITTEE**  
**-TERMS OF REFERENCE**

**1. COMPOSITION AND APPOINTMENT**

The Nominating Committee shall be appointed amongst the Board members and shall:-

- 1.1 comprise no fewer than three (3) members; and
- 1.2 comprise exclusively non-executive directors, a majority of whom must be independent.

**2. RESIGNATION** *(added on 16 October 2020)*

The term of a Nominating Committee member shall automatically be terminated when he ceased to be a Director.

In the event of any vacancy with the result that the number of members is reduced to below three (3), the vacancy shall be filled within three (3) months.

**3. CHAIRMAN**

The Chairman of the Nominating Committee should be selected amongst the Nominating Committee members and should be an Independent Non-Executive Director or Senior Independent Non-Executive Director identified by the Board. *(added on 16 October 2020)*

**4. COMMITTEE SECRETARY**

The Secretary of the Committee shall be the Company Secretary of the Company.

**5. PURPOSE**

- 5.1 Ensuring a formal and transparent procedure for the appointment of new directors to the Board.
- 5.2 Recommend to the Board, candidates for all directorships and on board committees.
- 5.3 Selecting, compensating, monitoring and overseeing succession planning.

**NOMINATING COMMITTEE**  
**-TERMS OF REFERENCE (Con't)**

**6. DUTIES**

6.1 To identify and evaluate the suitability of candidate(s) recommended by the existing director(s), senior management staff, shareholder(s) and/or other consultant(s);  
*(amended on 16 October 2020)*

6.2 To recommend candidate(s) to fill the seats on Board Committees;

6.3 To recruit and retain the best available Directors;

6.4 To assess the contribution of each individual Director;

6.5 To review annually the Board structure, size, composition and the balance between Executive Directors, Non-Executive Directors and Independent Directors to ensure that the Board has the appropriate mix of skills and experience including core competencies which Directors should bring to the Board and other qualities to function effectively and efficiently;

The Nominating Committee adopts the peer evaluation method to evaluate the performance of the Directors of the Company to assess the required mix of skills, experience and other qualities including core competencies which the executive and non-executive directors of the Company should bring to the Board.

*(added on 16 October 2020)*

6.6 To take the necessary steps to ensure that women candidates are sought as part of the Company's recruitment exercise to meet its gender diversity;

6.7 To assess annually the contribution of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO");

6.8 To consider, in making its recommendation, candidate(s) for CEO and CFO;

6.9 To review annually the Independence of Independent Directors;

6.10 To ensure existence of an appropriate framework and succession plan for the Executive Director and Senior Management of the Company;

6.11 To recommend Directors who are retiring (by rotation) for re-election and termination of Board membership for appropriate reasons;

6.12 To recommend to the Board the removal of a Director from the Board or management if the Director or management is inefficient, errant and negligent in discharging his/her responsibilities;

6.13 To ensure that all Board appointees undergo the necessary training programmes prescribed by the applicable statutory and regulatory bodies;

6.14 To ensure adequate training and orientation is given to new Directors with respect to the business, structure and management of the Group as well as the expectations of the Board with regards to their contribution to the Board and Group;

**NOMINATING COMMITTEE  
-TERMS OF REFERENCE (Con't)**

- 6.15 To establish and implement processes for assessing the effectiveness of the Board as a whole, the Committees of the Board and assessing the contribution of each Director;
- 6.16 To consider other matters as referred to the Nominating Committee by the Board;
- 6.17 To identify suitable orientation, educational and training programmes for continuous developments of Directors; and
- 6.18 To review the term of office and performance of Audit Committee annually.

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

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

**7. NOTICE** *(added on 16 October 2020)*

Except in the case of an emergency, reasonable notice of every meeting shall be given in writing and the notice of each meeting shall be served to any member either personally or sending it by facsimile/email transmission or email transmission or through the post or by courier to such member to his/her registered address as appearing in the Register of Directors, as the case may be.

The notice and agenda were distributed to all members about seven (7) days before the meeting.

**8. MEETINGS**

- 8.1 The number of meetings which the Nominating Committee shall hold will depend on the circumstances but as a minimum, there must be at least one (1) meeting in a financial year. Additional meetings shall be scheduled as considered necessary by the Nominating Committee or Chairman. The Nominating Committee may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.
- 8.2 The quorum for a meeting shall be two (2) members with majority of independent directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

**NOMINATING COMMITTEE**  
**-TERMS OF REFERENCE (Con't)**

- 8.3 The Nominating Committee may request other Directors, members of management and consultants as applicable to participate in Nominating Committee meetings, as necessary, to carry out the Nominating Committee's responsibilities.
- 8.4 The meetings may be conducted by means of telephone conference, video conference or any other form of audio or audio-visual instantaneous communication and the participation in the meeting pursuant to this provision shall constitute presence in person of such meeting.

*(added on 16 October 2020)*

**9. RESOLUTION IN WRITING** *(added on 16 October 2020)*

A resolution in writing signed by a majority of members of the Nominating Committee for the time being entitled to receive notice of an Nominating Committee meeting, shall be as valid and effectual as if it had been passed at a meeting of the Nominating Committee duly convened and held.

**REMUNERATION COMMITTEE  
-TERMS OF REFERENCE**

**1. COMPOSITION AND APPOINTMENT**

The Remuneration Committee shall be appointed from amongst the Board and shall:-

- 1.1 comprise no fewer than three (3) members; and
- 1.2 comprise of non-executive directors and majority of them must be independent.  
*(amended on 8 February 2022)*

**2. RESIGNATION** *(added on 16 October 2020)*

The term of a Remuneration Committee member shall automatically be terminated when he ceased to be a Director.

In the event of any vacancy with the result that the number of members is reduced to below three (3), the vacancy shall be filled within three (3) months.

**3. DUTIES**

- 3.1 To recommend to and advise the Board of Directors the remuneration and terms of conditions (and where appropriate, severance payments) of the Executive Directors (including Chief Executive Officer and Group Managing Director) and Non-Executive Directors;  
*(amended on 16 October 2020)*
- 3.2 To establish a formal and transparent procedure for developing policy on remuneration packages of individual directors, taking into consideration the following:-
  - 3.2.1 In case of executive directors, the component parts of remuneration should be structured so as to link rewards to corporate and individual performance.
  - 3.2.2 In the case of non-executive directors, the level of remuneration should reflect of the experience and level of responsibility undertaken by the non-executive concerned.
- 3.3 Where possible, and to allow it to meet its duties, the Remuneration Committee should seek comparative information and conditions of service in comparable organisation, within and without sectors of industry.
- 3.4 When considering severance payments, the Remuneration Committee should bear in mind that it must represent the public interest and avoid any inappropriate use of public funds. Care should be taken to avoid determining a severance package that public opinion might deem to be excessive.
- 3.5 To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.
- 3.6 Directors, whether executive or non-executive, should abstain from discussion and from participating in decisions of their own remuneration packages.

**REMUNERATION COMMITTEE**  
**-TERMS OF REFERENCE (Con't)**

**4. MEETINGS**

4.1 The Remuneration Committee shall meet at least once a year or as and when required, and report to the Board of Directors after each meeting. The meetings may be conducted by means of telephone conference, video conference or any other form of audio or audio-visual instantaneous communication and the participation in the meeting pursuant to this provision shall constitute presence in person of such meeting. *(added on 16 October 2020)*

4.2 The quorum for a meeting shall be two (2) members with majority of non-executive directors. *(added on 16 October 2020)*

**5. RESOLUTION IN WRITING** *(added on 16 October 2020)*

A resolution in writing signed by a majority members of the Remuneration Committee for the time being entitled to receive notice of a Remuneration Committee meeting, shall be as valid and effectual as if it had been passed at a meeting of the Remuneration Committee duly convened and held.

## **LIST OF MATTERS RESERVED FOR THE BOARD**

The following matters shall be reserved for decision by the Board, supported by any recommendation as may be made from time to time by the Board Committees (as appropriate):

### **Financial**

- 1) The adoption of any significant change or departure in the accounting policies and practices of the Company and its subsidiaries.
- 2) The raising of incremental borrowing facilities involving substantial amounts.
- 3) The approval of the strategy, business plans and annual budgets and of any subsequent material changes in strategic direction or material deviations in business plans.
- 4) The approval of the annual financial statements and interim reports, the valuation of unlisted investments, the declaration of dividends and the forfeiture of unclaimed dividends.
- 5) The recommendation to shareholders of any increase, reduction or alteration to the share capital of the Company and the allotment, issue or other disposal of shares of the Company (except for shares allotted under any employee share option scheme).

### **Statutory and administrative**

- 1) Recommending amendments to the Constitution of the Company.
- 2) The frequency of meetings of the Board.
- 3) The convening of general meetings of shareholders of the Company.
- 4) The prosecution, defence or settlement of legal or arbitration proceedings where material and except in the ordinary course of business.
- 5) The appointment, removal or replacement of the Company Secretaries.

*List of Matters Reserved for the Board (Cont'd)*

**Regulatory**

- 1) The approval of the terms and conditions of the Company's rights issues, public offers, capital issues or issues of convertible securities including shares or convertible securities issued for acquisitions;
- 2) The approval and authority to issue circulars to the shareholders of the Company;
- 3) The approval of and authority to issue prospectuses, listing particulars, rights offers or takeover or merger documents;
- 4) Recommending to the shareholders that any ordinary or special resolutions in respect of the Company;
- 5) Recommending to the shareholders to take a particular course of action proposed by the Board; and
- 6) Any decision to list the Company's shares on any stock exchange or to terminate any such listing.

**Conduct of the Board**

- 1) Appointments to the Board including the appointment of the Chairman, Group Managing Director and/or Chief Executive Officer, Executive Directors and Non-Executive Directors and the approval on the nomination of alternate directors (if any) as recommended by the Nominating Committee.
- 2) The appointment of, terms of reference and changes in the composition of the Board Committees as are established from time to time.
- 3) Any increase of Board members' fees as recommended by the Remuneration Committee and endorsed by the Board, which shall ultimately be approved by the shareholders of the Company in a general meeting.
- 4) To recommend any employee share option scheme, the rules applicable to any such scheme and any amendments to such rules for submission to the shareholders of the Company for approval.
- 5) The formulation of recommended policies in relation to equal opportunity employment, human capital development, environment, health and safety.
- 6) Constituting part of this Board Charter is a "general enabling resolution" which deals with the authority of certain Directors and officials to negotiate and finalise the terms of contracts, for and on behalf of the Company.