

BOARD CHARTER

1. INTRODUCTION

The Board of Directors (“Board” or “Directors”) of Pasukhas Group Berhad (“Pasukhas” or “Company”) is responsible for the stewardship of the Company’s and its subsidiary companies’ (“Group”) business and affairs on behalf of PGB’s shareholders with a view to enhance long term shareholders value as well as investors’ interest while taking into account the interests of other stakeholders and maintaining high standards of transparency, accountability and integrity.

The Board is 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.

In carrying out its functions whilst supportive of management, the Board shall discharge its duties and responsibilities vested in it, which include:

- approve and proactively participate in strategic decisions;
- ensure adherence to its fiduciary obligation;
- challenge management with questions based on informed knowledge;
- oversee management’s plans, decisions, and actions;
- monitor management’s ethical conduct, financial reporting and regulatory compliance;
- play a critical role in ensuring sound and prudent policies and practices of the Company;
- be capable of effectively achieving good governance and protecting the interests of shareholders;
- ensure there is a sound framework for internal control and risk management;
- set the risk appetite within which the Board expects management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- establish a succession planning for Board and Senior Management, including the implementation of appropriate systems for recruiting, training and determining the appropriate compensation benefits; and
- promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.

2. OBJECTIVES

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

In pursuit of the ideals in this Board Charter, the intention is to exceed “minimum legal requirements” with due consideration to recognised standards of best practices locally and internationally. This Board Charter is not an “all inclusive” document and shall be read as a broad expression of principles.

The Board will regularly review this charter and the term of reference of the Board Committees to ensure that they remain consistent with the Board’s objectives and responsibilities, and relevant laws, regulations, guidelines and standards of corporate governance.

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3. BOARD SIZE AND COMPOSITION

- a. The Board should comprise of individuals with character, experience, integrity, competence and time to effectively discharge their role as Directors. The composition and size of the Board is such that it facilitates the making of informed and critical decisions.
- b. The number of Directors shall not be less than two (2) and not more than nine (9). The appointment of Directors shall be recommended by the Nominating Committee (“NC”) and approved by the Board.
- c. At any one time, at least two or one-third (1/3), whichever is higher, of the Board members are Independent Directors.
- d. In the event of any vacancy in the Board, resulting in non-compliance with regulations on the Board composition, the Board must ensure that such vacancy is filled within three (3) months.
- e. The Board may appoint a Senior Independent Director to whom shareholders’ concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or the Managing Director (“MD”)/ Chief Executive Officer (“CEO”) have failed to resolve them. The Board shall appoint the Senior Independent Director as the Chairman of the NC unless a better candidate (another Independent Director) is available.
- f. The positions of Chairman of the Board (“Board Chairman”) and MD/CEO should be held by different individuals. The Board shall comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director.

In the event that the Company has departed from this practice, it must provide an explanation for the departure and disclose the alternative practice it has adopted and how such alternative practice achieves the Intended Outcome as set out in the Malaysian Code on Corporate Governance 2021 (“MCCG”).

The Board recognises the importance of ensuring a balance of power and authority between the Board Chairman and the MD/CEO with a clear division of responsibility between the running of the Board and the Company’s business respectively. The positions of the Board Chairman and MD/CEO are separated and clearly defined.

In the event that the positions of the Board Chairman and MD/CEO are held by the same person or in the absence of such position, the Company shall provide explanation and justification in the Annual Report of the Company.

- g. The Board acknowledges the importance of boardroom diversity and the recommendation of the MCCG pertaining to the establishment of a gender diversity policy.

In reviewing the Board composition, the Board with the assistance from the NC, will take into consideration all aspects of diversity including age, gender, ethnicity, skills, fit and proper, experience, independence and background of the Board members.

- h. Any Director must not hold more than five (5) directorships in listed issuers.

Any Director shall notify the Board Chairman before accepting any new directorship in public listed companies. The Director shall give assurance to the Board of his/her continued time commitment to serve the Board and the new appointment shall not be in conflict or compete with the existing appointment.

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4. POSITION DESCRIPTION

4.1 INDIVIDUAL DIRECTORS

- i. Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Directors. Broadly these include:
 - a. acting in good faith and in the best interests of the Company as a whole;
 - b. acting with care and diligence and for proper purposes;
 - c. avoiding conflict of interest and/or potential conflict of interest with the Company in a personal or professional capacity;
 - d. refraining from making improper use of information gained through the position of Director and from taking improper advantage of the position of Director;
 - e. keeping abreast of changes and trends in the business and in the Group's business environment and markets and changes and trends in the economic, political, social, legal and regulatory climate that could affect the business of the Group; and
 - f. devoting sufficient time to prepare for and attend Board and Board Committee meetings, attend Directors' continuous training programme and briefings.
- ii. 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.

4.2 SENIOR INDEPENDENT DIRECTOR

The Board may appoint a Senior Independent Director to:

- i. act as a sounding board for the Board Chairman;
- ii. serve as the principal conduit between Independent Directors and the Board Chairman on sensitive issues; and
- iii. be the point of contact for shareholders and other stakeholders for areas that cannot be resolved through the normal channels of contact with the Board Chairman or the MD/CEO.

4.3 INDEPENDENT DIRECTOR

- i. An Independent Director is independent of management and free of any 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.
- ii. The Independent Directors must give effect to the spirit, intention and purpose of the definition of an Independent Director which enumerated out in the ACE Market Listing Requirements ("ACE LR") of Bursa Malaysia Securities Berhad ("Bursa Securities").
- iii. The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations to mitigate any possible conflict of interest between the policy-making process and the day-to-day management of the Company.

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- iv. The Independent Directors shall constructively challenge and contribute to the development of business strategy and direction of the Company 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.
- v. The Independent Directors should ensure effective checks and balances on the Board, and carry significant weight in the Board's decision-making process.
- vi. The Board undertakes to assess the independence of the Independent Directors on an annual basis upon re-appointment or when any new interest or relationship develops.
- vii. 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 as a Non-Independent Director.

If the Board intends to retain an Independent Director beyond nine (9) years, the Board shall provide strong justification on the recommendation and seek annual shareholders' approval through a two-tier voting process. Nonetheless, such retention is limited to not more than a cumulative period of 12 years from the date of such person's first appointment as an Independent Director of the Company.

4.4 BOARD CHAIRMAN

- i. The Board Chairman leads the Board and is responsible for the effective performance of the Board.
- ii. The Board Chairman may be a Non-Executive member of the Board. If the Board Chairman is an Executive Director, the positions of Board Chairman and MD/CEO must be held by different individuals. The Board shall comprise a majority of Independent Directors where the Board Chairman is not an Independent Director. In the event that the Company has departed from this practice, it must provide an explanation for the departure and disclose the alternative practice it has adopted and how such alternative practice achieves the Intended Outcome as set out in the MCGG.
- iii. The Board Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. The Board Chairman is responsible for:
 - a. leading the Board in setting the values and standards of the Company;
 - b. maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
 - c. ensuring the provision of accurate, timely and clear information to Directors;
 - d. ensuring effective communication with shareholders and relevant stakeholders;
 - e. arranging regular evaluation of the performance of the Board, its Committees and individual Directors;
 - f. facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors; and
 - g. facilitating the ongoing development of all Directors.
- iv. The Board Chairman, in consultation with the MD/CEO and the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda.

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- v. The Board 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:
 - a. all Directors are properly briefed on issues arising at Board meetings;
 - b. sufficient time is allowed for discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion; and
 - c. the issues discussed are forward looking and concentrates on strategy.
- vi. The Board Chairman ensures that every Board resolution is put to vote and the will of the majority prevails.
- vii. The Board Chairman ensures that Executive Directors look beyond their executive functions and accept their full share of responsibilities on governance.
- viii. Should the Board 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.

4.5 MD/CEO

- i. The MD/CEO is primarily accountable for overseeing the day-to-day operations to ensure the smooth and effective running of the Group.
- ii. The MD/CEO is responsible for the development and implementation of the long-term and short-term strategies for the Group and setting the overall strategic policy and direction of the Group's business operations based on effective risk management controls.
- iii. The MD/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.
- iv. The MD/CEO shall exercise professional skill, due care and diligence when performing his functions, exercising their powers or discharging his duties as well as devote full attention and time to their duties and responsibilities and be able to direct and supervise the Company effectively and responsibly;
- v. The MD/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.
- vi. The MD/CEO is the conduit between the Board and management in ensuring the success of the Company's governance and management functions.
- vii. The MD/CEO implements the policies, strategies and decisions adopted by the Board. All Board authorities conferred on management is delegated through the MD/CEO and this will be considered as the MD/CEO's authority and accountability as far as the Board is concerned.
- viii. Keeping the Board fully informed of all-important aspects of the Company's operations and ensuring sufficient information is distributed to the Board members.

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In the absence of the MD/CEO, the Executive Directors who are fully acquainted with the Company's affairs, is the person who will be directly responsible for the overall running of the Company.

5. GENERAL ROLES AND RESPONSIBILITIES

The Board should assume, amongst others, the followings roles and responsibilities:

- a) Reviewing the code of conduct of the Company and implementing appropriate internal systems to support, promote and ensure its compliance;
- b) Reviewing and adopting a sustainable strategic business development plan for the Company;
- c) Regularly evaluating economic, environmental, social and governance issues and any other relevant external matters that may influence or affect the development of the business or the interests of the shareholders in ensuring that the Company's strategies promote sustainability;
- d) Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- e) Reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance. This includes establishing sound risk management framework, reviewing procedures to identify the main risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- f) together with Senior Management, promoting good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;
- g) reviewing, constructively challenging and making decision on management's proposals for the Company and monitoring the implementation;
- h) Selecting, appointing and evaluating from time to time the performance of, and planning succession of the MD/CEO under the guidance of the NC;
- i) Reviewing the procedures for appointment of Senior Management and ensuring that succession planning of the Senior Management is in place;
- j) Establishing an internal audit function which reports directly to the Audit and Risk Management Committee ("ARMC");
- k) Promoting effective communication and proactive engagements with shareholders and other stakeholders;
- l) Ensuring there is a sound framework of reporting on internal controls and regulatory compliance;
- m) Ensuring its members have access to information, advice and appropriate continuing education programmes;
- n) Reviewing and approving formal and transparent remuneration policies and procedures to attract and retain Directors

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- o) Ensuring there is appropriate corporate disclosure policies and procedures;
- p) Encouraging the usage of information technology in communicating with stakeholders;
- q) Taking reasonable steps in encouraging the shareholders' participation and voting by poll at general meetings of the Company;
- r) Promoting effective communication and proactive engagements with shareholders;
- s) Undertaking an assessment of the Independent Directors annually; and
- t) Ensuring the integrity of the Company's financial and non-financial reporting.

6. NOMINATION AND APPOINTMENT

The Company should ensure that the Directors and the MD/CEO are of high caliber, sound judgment, high integrity and credibility as they are entrusted by the shareholders to manage and perform effectively.

- a) The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the NC.

The NC should base on the "Fit and Proper" standards as follows before recommending the candidates to the Board for approval:-

Age limit

- In accordance with the Malaysia's Companies Act 2016 ("CA 2016").

Work Experience

- 5 years or more preferably in relevant industry.
- Have been in Senior Management position.
- Good track record of managing a successful and profitable organisation.

Qualifications

- Degree, Professional qualification or equivalent or with the requisite years of relevant work experience.

Personal Background

- A person of good character and high integrity and credibility.
- Not a bankrupt and has never been engaged in deceitful/ oppressive/ improper business practices.
- Has not been engaged/ associated or had conducted himself/herself in a manner which may cause doubt on his fitness, competence and soundness of judgment.
- Has not contravened any provision made by or under any written law to be designed for protecting members of the public against financial loss due to dishonesty, incompetence or malpractice.
- Have not been convicted whether within or outside Malaysia of any offence, other than traffic offences.

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- Competencies
 - i. Business acumen
 - ii. Product knowledge
 - iii. Visionary
 - iv. Strategic agility
 - v. Proven leadership ability
 - vi. Financial knowledge
 - vii. Market and global awareness
 - viii. Compliance and legal awareness
 - ix. IT awareness
 - x. Human Resource Management skills

- b) The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.

- c) Upon the appointment of a new Director, the Company Secretary shall guide the Director of his/her principal duties and responsibilities and explain the restrictions to which he/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.

- d) The Company should ensure an induction programme for newly appointed Directors. The induction programme aims at communicating to the newly appointed Directors, the Company's vision and mission, its philosophy and nature of business, current issues within the Company, the corporate strategy and the expectations of the Company concerning input from Directors.

- e) The Company shall provide educational/ training programmes to update the Board in relation to new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Company.

7. RE-ELECTION

- a) An election of Directors shall take place each year.

- b) All Directors are subject to retirement by rotation at least once in every three (3) years and is eligible for re-election.

- c) The Directors appointed under casual vacancy will only hold office until the next annual general meeting, and will then be eligible for re-election.

8. RETENTION/ RE-DESIGNATION OF AN INDEPENDENT DIRECTOR WITH CUMULATIVE TERM OF MORE THAN NINE (9) YEARS

- a) The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Directors' re-designation as a Non-Independent Director.

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- b) The Board, upon recommendation of the NC, shall justify and seek annual shareholders' approval through a two-tier voting process in the event that it desires to retain a person who has served in that capacity for more than nine (9) years as an Independent Director.

Further, the long serving Director is required to declare to the Company annually that he complies with the criteria of independence as stated in item 4.3.

- c) The long-serving Independent Director of more than twelve (12) years must resign or be re-designated as a Non-Independent Director. If the Board wish to re-appoint the resigned Independent Director after observing 3-year cooling off period, the NC and Board should provide strong justification and explanation on the said re- appointment.

Under the two-tier voting process, shareholders' votes will be cast in the following manner at the same shareholders' meeting:-

- Tier 1: Only the Large Shareholder(s) of the Company votes; and
- Tier 2: Shareholders other than Large Shareholder(s) votes.

Large Shareholder means a person who:

- is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in the Company; or
- is the largest shareholder of voting shares in the Company; or
- has the power to appoint or cause to be appointed a majority of the Directors of the Company; or
- has the power to make or cause to be made, decisions in respect of the business or administration of the Company, and to give effect to such decisions or cause them to be given effect to.

The decision for the resolution is determined based on the vote of Tier 1 and a simple majority of Tier 2. If there is more than one Large Shareholder, a simple majority of votes determine the outcome of the Tier 1 vote.

The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution.

However, the resolution is deemed to be defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.

9. ASSESSMENT AND DEVELOPMENT

- a) Directors' Assessment/ Board Evaluation

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.

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b) Directors' Training and Development

- The Company has adopted an induction programme for newly appointed Directors. The induction programme aims at communicating to the newly appointed Directors, the Company's vision and mission, its philosophy and nature of business, current issues within the Company, the corporate strategy and the expectations of the Company concerning input from Directors. MD/CEO is primarily responsible for the induction programme with appropriate assistance from the Company Secretary and other senior Executive Directors.
- The Company has adopted educational/ training programmes to update the Board in relation to new developments pertaining to the laws and regulations and changing commercial risks which may affect the Board and/or the Company.

In addition to the Mandatory Accreditation Programmes (Part I and Part II) 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 operation and business.

- The Board will assess the training needs of the Directors and ensure Directors have access to continuing education programme. The Board shall disclose in the annual report the trainings attended by the Directors.

10. BOARD/ MANAGEMENT AUTHORITIES

The Board shall have the authority to approve transactions or activities which are beyond the individual discretionary powers of senior officers or management committees delegated by the Board as per the Approving Authority Limits stipulated in the relevant policy manuals of respective operating units subject to the provision of the Constitution of the Company.

11. BOARD COMMITTEES

The Board should establish and delegate certain duties to specialised Board Committees to oversee critical or major functional areas and to address matters, which require detailed review or in-depth consideration before tabling its recommendation to the Board.

The Board has established the following Board Committees which operate within their specific terms of reference:-

a) NC

- i) To establish structured oversight process for recruiting, retaining, training and developing individuals qualified to become Board members to ensure the best composition of the Board.
- ii) To provide a formal and transparent procedures for the appointment of Directors as well as annual assessment of effectiveness of individual Directors, Board Committees and Board as whole and key Senior Management officers.

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- iii) To keep an eye on the need for succession in the boardroom, identify suitability of candidates against considerations such as competencies, commitment, contribution and performance, including the current composition of Board and Board committees, mix of skills and experiences of Directors whilst taking into account the current and future needs of the Company, Boardroom diversity (including gender diversity) and other soft attributes required as Company Directors for Board's consideration and approval.

- b) Remuneration Committee ("RC")
 - i) To develop and administer a fair and transparent remuneration policy to attract, retain and motivate Directors and Senior Management to drive Company's long-term growth.

 - ii) To review and recommend to the Board on the remuneration of the Non-Executive Directors, by taking into account the level of expertise, commitment and responsibilities undertaken.

 - iii) To review and recommend to the Board on the remuneration package of the Executive Directors and Senior Management including, where appropriate, bonuses, incentive payments within the terms of the agreed remuneration policy and based on individual performance.

- c) ARMC
 - i) To play a key role in the Company's governance structure and rigorously challenge and ask probing questions relating to risk management and internal controls, financial and accounting records and policies as well as the integrity in financial reporting, practices and policies of the Company.

 - ii) To review and assess the suitability and independence of the External and the Internal Auditors.

 - iii) To define risk appetite of the Company and oversight on the quality, integrity and effectiveness of the risk management systems and internal control system.

 - iv) To review the management's response to the recommendation of the External and the Internal Auditors.

 - v) To review any related party transaction and conflict of interest situation and/or potential 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.

Duties and functions of the above-mentioned committees are provided in their respective terms of reference.

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12. BOARD PROCEDURES

- a) The conduct of Directors will be consistent with their duties and responsibilities to the Company and, indirectly, to the shareholders. The Board shall act within any limitations imposed by the provisions of relevant laws and guidelines on its activities;
- b) Directors will use their best endeavours to attend Board meetings. Directors are expected to participate fully, and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board;
- c) Directors who are not able to attend a meeting will advise the Chairman at an earlier date as possible and confirm in writing to the Company Secretary;
- d) Board discussions will be open and constructive, recognising that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus of the Board but may, where considered necessary, call for a vote;
- e) All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law. Subject to legal and regulatory requirements, the Board will decide the manner and timing of the publication of its decisions;
- f) Directors are expected to strictly observe confidentiality of the Company's information; and
- g) Directors are required to inform the Board of conflicts or potential conflict of interest that may have in relation to particular items of business or transaction. Subject to provisions of relevant laws and guidelines, these Directors shall abstain from deliberation and determination of those matters.

13. AUTHORITY

The Board shall within its terms of reference:

- a) Have complete, adequate and timely information prior to Board meetings and on an ongoing basis;
- b) Have the resources required to perform its duties;
- c) Have full and unrestricted access to any information pertaining to the Company;
- d) Have the authority to form management/ sub-committee(s) if deemed necessary and fit;
- e) Have the authority to delegate any of its responsibilities to any person or committee(s) that is deemed fit;
- f) Have direct communication channels with employees, Senior Management personnel and relevant external parties; and
- g) Be able to obtain independent professional or other advice.

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14. BOARD MEETINGS AND MINUTES

Subject to relevant laws and guidelines, the following should be observed by the Board:-

- a) Amongst others, the Board papers include the following:
 - i) quarterly financial report and report on the Company's cash and borrowing positions;
 - ii) minutes of meetings of all Committees of the Board;
 - iii) a current review of the operations of the Company;
 - iv) reports on Related Party Transactions and Recurrent Related Party Transactions;
 - v) Directors' share-dealings, including public shareholdings spread; and
 - vi) annual management plans.
- b) The Board shall meet on a quarterly basis, but in any event, not less than once in every three (3) months, or whenever deemed necessary;
- c) Individual Directors must attend at least 50% of the Board meetings held in each financial year or such other percentage as may be prescribed by the ACE LR;
- d) The quorum of the meetings shall be met pursuant to the Constitution of the Company;
- e) The Board and Board Committees are also allowed to carry out resolutions by way of circulation;
- f) The participation of the Directors can be facilitated by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other as per the Company's Constitution. Such participation in a meeting shall constitute presence in person at such meeting;
- g) All decisions at such meeting shall be decided on a show of hands on a majority of votes. The Chairman shall have a casting vote;

The Chairman will have no casting vote if two (2) Directors form a quorum, or if there are only two (2) Directors competent to vote on the question at issue.
- h) Head of the respective division units, relevant management personnel and external independent advisors may be invited to attend the Board meetings as and when the need arises;
- i) The Company Secretary or her nominee shall minute the proceedings and resolutions, including the names of all attendees. Draft minutes of meetings of the Board shall be circulated promptly to all members of the Board and shall be taken and documented;
- j) Meetings of the Board shall be called by the Company Secretary at the request of the Chairman based on planned calendar dates. Notice of each meeting confirming the venue, time and date, together with an agenda of items and its supporting papers to be discussed, shall be forwarded to each member of the Board;
- k) Except in the case of an emergency, reasonable notice of every meeting no later than seven (7) days before the date of the meeting shall be given in writing and the notice of each meeting shall be served to the Board either personally or by fax or e-mail or by post or by courier to his/her registered address as appearing in the Register of Directors or to the address provided by the Board, as the case may be; and

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- l) Information should be supplied to the Directors at least seven (7) days prior to the meeting in order for them to discharge their duties.

15. GENERAL MEETING

- ANNUAL GENERAL MEETING (“AGM”)
- EXTRAORDINARY GENERAL MEETING

- a) The Board regards the general meeting as an important event in the corporate calendar of which all Directors and key senior executives should attend.
- b) The Company regards the general meeting as the principal forum for dialogue with shareholders and aims to ensure that the general meeting provides an important opportunity for effective communication with, and constructive feedback from, the Company’s shareholders.
- c) The Chairman encourages active participation by the shareholders during the general meeting. To encourage poll voting during the general meeting, the Chairman shall inform shareholders of their right to demand for a poll at the commencement of the meeting.
- d) The Chairman and, where appropriate, the MD/CEO responds to the shareholders’ queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.

16. REMUNERATION OF DIRECTORS

- a) 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.
- b) The level of remuneration for the MD/CEO and Executive Directors is determined by the RC after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.
- c) Non-Executive Directors are entitled to participate in the Company’s Share Issuance Scheme (“SIS”) subject to approval at a general meeting. Non-Executive Directors who participated in the SIS are prohibited to sell, transfer or assign the shares within one (1) year from the date of offer of such options.
- d) No Director other than the MD/CEO and Executive Directors shall have a service contract with the Company.
- e) Fees payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable to Executive Directors may not include a commission on or percentage of turnover.
- f) The fees of Directors, and any benefits payable to Directors shall be subject to annual shareholder approval at a general meeting.
- g) A formal independent review of the Directors’ remuneration is undertaken not less frequently than once every three (3) years.

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17. DECLARATION OF INTEREST/ CONFLICT OF INTEREST AND/OR POTENTIAL CONFLICT OF INTEREST

- a) The Constitution of the Company stipulates that a Director who is in any way, whether directly or indirectly interested in a contract or proposed contract with the Company shall declare his/her interest in accordance with the provisions of the CA 2016. The Director concerned shall not participate in deliberations and shall abstain from voting on any matter arising therefrom.

Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director or an associate of a Director as a spouse or other family members, the Director involved shall make full disclosure and act honestly in the best interests of the Company.

- b) 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.
- c) Directors are expected to advise the Company Secretary of any proposed Board or executive appointment to other companies as soon as practicable.

18. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

- a) The Directors shall have access to management for relevant and additional information or seek explanations, as and when required. At the request of the Board, management is obliged to supply in a timely manner, all relevant information to enable Director to make sound business judgments and discharge their duties more effectively.
- b) A Director of the Company is entitled to seek independent professional advice at the Company's expense on any matter connected with the discharge of their responsibilities. Individual Directors may also obtain independent professional or other advice in furtherance of their duties, subject to approval by the Chairman or the Board, depending on the quantum of the fees involved.

19. FINANCIAL REPORTING

- a) Transparency
- i. The Company aims to present a clear and balanced assessment of the Company's financial position, future prospects, price-sensitive information and other relevant reports submitted to the regulators.
- ii. 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.
- iii. The Company's practice is to announce to Bursa Securities its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period.

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iv. The Auditors Report shall contain a statement from the External Auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements.

b) Company Auditors

i. 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 External Auditors through its ARMC.

ii. The ARMC 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.

iii. Appointment of the Company Auditors is subject to approval of shareholders at General Meetings. The Company Auditors have to retire at the AGM every year and be re-appointed by shareholders for the ensuing year.

20. STAKEHOLDERS OF THE COMPANY

a) Shareholders

i. 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.

ii. 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.

iii. The Company leverages on information technology for effective dissemination of information. The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

b) Other Stakeholders

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

c) Employees

i. 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.

ii. The Company has made effort to provide high quality work, health and safety environment to our employees as well as the Group's stakeholders. The Group continues to adhere to the industry and health policy in order to ensure that a safe and healthy working environment is provided to the employees of the Group at all times.

Opportunities will be given to the Group's employees for attending external and on-the-job training to enhance their skills and job knowledge.

BOARD CHARTER

- d) Environment
 - i. 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.
 - ii. The Company continues promoting environmentally-conscious work practices in order to reduce environmental impact, enhance energy efficiency and to promote recycling wherever possible. The Group complies with the environmental laws and regulations.
- e) Social Responsibility
 - i. The Board acknowledges that the Company should play a vital role in contributing towards the welfare of the community in which it operates.
 - ii. The Company adopts comprehensive and documented policies and procedures towards responsible marketing and advertising its products and services.
 - iii. The Company supports charitable causes and initiatives on community development projects.

21. COMPANY SECRETARY

- a) The Board appoints the Company Secretary, and ensures that the Company Secretary fulfils the functions for which she has been appointed.
- b) The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance matters.
- c) The Company Secretary is a central source of information and guidance to the Board and its Committees on issues relating to compliance CA 2016, ACE LR, procedures and regulations affecting the Company.
- d) The Company Secretary should guide Directors of their obligations to adhere to matters relating to:
 - i. disclosure of interest in securities;
 - ii. disclosure of any conflict of interest in a transaction and/or potential conflict of interest involving the Company;
 - iii. prohibition on dealing in securities; and
 - iv. restrictions on disclosure of price-sensitive information.
- e) The Company Secretary must keep abreast of, and inform, the Board of current governance practices.
- f) The Board members have unlimited access to the professional advices and services of the Company Secretary.

BOARD CHARTER

22. DIVERSITY POLICY

The Board acknowledges the importance of boardroom diversity and the recommendation of the MCCG pertaining to the establishment of a Gender Diversity Policy.

The Company adopts a policy of non-discrimination on the basis of race, age, religion and gender. Thus, the Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company.

23. REVIEW OF THE BOARD CHARTER

The Board will review this Charter from time to time and make any necessary amendments when there are changes to the MCCG and the ACE LR that may have an effect on the Board's responsibilities.

Any updates to the principles and practices set out in this Charter will be made available on the Company's website.

This Board Charter was reviewed and approved by the Board on 27 August 2024.

APPENDICES OF BOARD CHARTER

- (I) List of Matters Reserved for the Board
- (II) Corporate Disclosure Policy
- (III) Directors' Code of Conduct
- (IV) Whistleblowing Policy
- (V) Remuneration Policy
- (VI) Board Diversity Policy
- (VII) Appointment of Directors and Senior Management
- (VIII) Succession Planning Policy

(I) LIST OF MATTERS RESERVED FOR THE BOARD

Apart from matters which are expressly required by law to be approved by the Board, the following matters shall be especially reserved for the Board's approvals, amongst others, are as follows:-

- a. Charters for Board Committee;
- b. Material acquisitions and disposals of assets not in the ordinary course of business of the Group;
- c. Related Party Transactions and Recurrent Related Party Transactions, where applicable;
- d. Authorisation levels/ limits;
- e. Treasury policy;
- f. Risk management policy;
- g. Dividend policy and recommendation of interim and final dividends;
- h. Strategic plan, annual operating and capital expenditure budgets;
- i. Financial statements;
- j. Material contracts within the Group;
- k. Change of auditors based on recommendations from the ARMC;
- l. Change of Directors of the Group, MD/CEO and other Senior Management positions based on the recommendation of NC;
- m. Promoting effective communication and proactive engagements with shareholders;
- n. Recommending amendments to the Constitution of the Company;
- o. The frequency of meetings of the Board;
- p. The convening of general meetings of shareholders of the Company;
- q. The appointment, removal or replacement of the Company Secretary;
- r. Recommending to the shareholders that any ordinary or special resolutions in respect of the Company;
- s. Recommending to the shareholders to take a particular course of action proposed by the Board;
- t. The approval and authority to issue circulars to the shareholders of the Company;
- u. Conflict of interest issues related to a Director or a substantial shareholder; and
- v. Key human resources issues.

(II) CORPORATE DISCLOSURE POLICY

1. INTRODUCTION

The Board is committed to provide effective communication to its shareholders and general public.

2. OBJECTIVES

The objectives of the Corporate Disclosure Policy (“Policy”) are as follows:

- (i) To raise awareness and provide guidance to the Board, management, officers and employees on the Company’s disclosure requirements and practices;
- (ii) To provide guidelines and policies to disseminate corporate information;
- (iii) To ensure compliance with all applicable legal and regulatory requirements on disclosure of material information; and
- (iv) To build good investor relations with the investing public that inspires trust and confidence.

3. APPLICATION OF THE POLICY

This Policy applies to all Directors, officers, employees, consultants and contractors of the Company and its subsidiaries.

4. COMMUNICATION OF POLICY

This Policy will be circulated and made available to all present and new Directors, officers, employees, consultants and contractors of the Company and its subsidiaries.

A revised version of this Policy will be distributed whenever significant changes are made.

5. ADMINISTRATIVE RESPONSIBILITY

Directors should maintain the confidentiality of information entrusted to them by the Group and any other confidential information about the Group that comes to them except when disclosure is authorised by the Board or required to do so by law or regulatory body.

6. SCOPE

The Policy of the Company sets out when disclosure is required by the Company.

6.1 Immediate Disclosure of Material Information

- (a) The Company must announce immediately any material information. (i.e. reasonably expected to have an effect on price, value or market activity of the share or investment decision making).
- (b) The Company must announce immediately the occurrence of events prescribed under the ACE LR.

(II) CORPORATE DISCLOSURE POLICY (CONTINUED...)

- (c) The Company must announce immediately transactions which trigger the prescribed materiality threshold.
- (d) The Company must announce its quarterly financial statements and annual reports.

6.2 Contents of Announcement or Circulars

- (a) The Company must emphasise substance over form when disclosing announcement or circulars.
- (b) The Company aims to ensuring the investing public has a good understanding of information disclosed.
- (c) The Company must disclose the total consideration together with the basis and justification for the consideration.
- (d) The Company must disclose the contribution to group's net profit in a disposal transaction including the intended application of sale proceeds.
- (e) Contents in circulars must be factual, clear and not lengthy to facilitate easy understanding.

6.3 Maintaining Confidentiality of Information

- (a) The Company will withhold or delay disclosure of material information temporarily where disclosure would prejudice the ability of the Company to pursue its corporate objectives.
- (b) If material information is being withheld the Company must ensure that confidentiality is maintained to minimise information leakage.
- (c) Persons involved in the confidential transactions or in possession of price sensitive information shall ensure strict confidentiality.
- (d) If confidentiality of information is lost the Company must undertake an enquiry to ascertain the leakage and take appropriate steps to announce to Bursa Securities.

6.4 Clarification, Confirmation or Denial of Rumours or Reports

Whenever the Company becomes aware of a rumour or report, it should ascertain whether it contains undisclosed material information and make an announcement to Bursa Securities to deny or clarify the matter, and provide sufficient supporting information in accordance with the ACE LR.

The Company must not make evasive announcement that do not clarify, confirm or deny a rumour or report.

(II) CORPORATE DISCLOSURE POLICY (CONTINUED...)

6.5 Unusual Market Activity

Where there is unusual trading activity or price movement in the Company's shares, the Company must upon query from Bursa Securities undertake due enquiry to determine the cause and issue a clarifying announcement.

6.6 Equal Access to Material Information

The Company can provide any information to journalists, analysts and fund managers as long as it does not include any undisclosed material information.

The Company must immediately announce to Bursa Securities any non-public material information which has been inadvertently disclosed when responding to question from journalists, analysts or fund manager.

When conducting meetings with outside parties, the Company keeps to a minimum number of authorised spokespersons.

The Company will disseminate information through its website to shareholders and to enhance investor relations including email address, name of designated person, contact numbers to enable public to forward queries.

7. OTHER DISCLOSURE

7.1 Profit Guidance

Where there is material improvement or deterioration in the Company's financial results, the Company will assess the impact and immediately provide a profit guidance statement on the likely impact.

7.2 Fraud/ Financial Irregularity

Where there is a fraud or financial irregularity taking place, the Company will immediately assess the materiality and immediately announce if it is material including the financial and operational impact and steps taken to address it.

7.3 Announcement by External Parties/ Authorities

The Company will immediately announce to Bursa Securities any announcement by a government ministry or agency regarding a government policy which is material to the Company including the business and financial impact.

7.4 Disclosing Purpose and Utilisation of a General Mandate

The Company may procure a general mandate from its shareholders at a general meeting to issue shares in accordance with the CA 2016 and the requirements under the ACE LR.

(II) CORPORATE DISCLOSURE POLICY (CONTINUED...)

7.5 Quality of Financial Disclosure and Timely Disclosure

The Board is responsible for the preparation of timely and reliable financial statements and represents a true and fair view of the statement of affair of the Company.

To facilitate easy reference, the Company discloses in its annual report, financial highlight of major items including disclosure in its notes to the quarterly report, a detailed analysis of the performance of all operating segments of the Group and details of major components in the statement of cash flows.

8. OBTAINING FEEDBACK

The Company has developed various channels via email, mail or telephone for shareholders and major stakeholders to provide their comments and feedback in relation to Company's operational, performance, governance and strategic matters.

The Company will consider the relevant comments and feedback received in establishing its corporate strategy.

9. REVIEW

The Board will review this Policy annually to ensure it remains consistent with the Board's objectives and responsibilities.

(III) DIRECTORS' CODE OF CONDUCT

Board Members are required to observe the Directors' Code of Conduct ("Code") as follows:-

- a) Compliance at all times with the Code and the Board Charter.
- b) Observe high standards of corporate governance at all times.
- c) Adhere to the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- d) Act in good faith and in the best interests of the Company and Group, and exercise reasonable care, skill and diligence according to the knowledge, skill and experience.
- e) Limit his/her directorship of companies to a number in which he can best devote his time and effectiveness.
- f) Not misuse information gained in the course of duties for personal gain or for political purpose, nor seek to use the opportunity of the service as Directors to promote their private interests or those of connected persons, firms, businesses or other organisations.
- g) Uphold accountability at all time. This includes ensuring that the Company's resources are properly safeguarded and the Company conducts its operations as economically, efficiently and effectively as possible at all time.
- h) At all times act with utmost good faith towards the Company in any transactions and act honestly and responsibly in the exercise of his/her powers in discharging his/her duties.
- i) Board Members should not accept positions on Board Committees or working groups where a conflict of interest is likely to arise, without first declaring that interest.
- j) Declaration of any personal, professional or business interests that may conflict with Directors' responsibilities. Guidance on declaration and registration of interest is given in the section entitled "Declaration of Interests" below.
- k) Follow the guidance on acceptance of gifts and hospitality as stated in the section entitled "Guidelines on Acceptance of Gifts" below.
- l) Be conscious of the interests of shareholders, employees, creditors and customers of the Company.
- m) At all times promote professionalism and improve the competency of management and employees.
- n) Ensure adequate safety measures and provide proper protection to workers and employees at the workplace.
- o) Ensure the effective use of natural resources, and improve quality of life by promoting corporate social responsibilities;
- p) Should be more proactive to the needs of the community and to assist in society-related programmes.
- q) Ensure that the activities and the operations of the Company do not harm the interest and well-being of society at large.

(III) DIRECTORS' CODE OF CONDUCT (CONTINUED...)

DECLARATION OF INTERESTS

Subject to the requirements of any acts, rules or regulations that are in force from time to time and in addition to such mandatory requirements, members of the Board are required to notify the Company Secretary on any changes in the following:-

- Shareholding in the Company or its related corporations, whether direct or indirect; and
- Directorships or interests in any other corporations.

In addition to the above, any Board member who has a material interest, either directly or indirectly through a partner, spouse, children, parents, siblings, close relative and a body corporate which is associated to the Directors, in matters being considered by, or likely to be considered by the Board should declare that interest at the Board Meeting. Such declarations should describe the interest clearly and state whether it carries direct or indirect financial benefits. This requirement also applies to members of Senior Management.

Relevant interests in this context are as follows:-

- Executive and non-executive directorships of, significant shareholdings in, or employment by, public or private companies likely or possibly seeking to do business with the Company.
- Ownership or part-ownership of, or employment by, business or consultancies likely or possibly seeking to do business with the Company.
- Directorship or ownership in public or private companies which are already dealing with the Company.

REGISTER OF INTERESTS

The Code requires that a formal register of interests be established. The register should include details of all directorships and other relevant interests declared by Board Members and members of Senior Management.

CONDUCT IN MEETINGS

Any Board Member who has a clear and substantial interest in a matter under consideration by the Board should declare that interest at any meeting where the matter is to be discussed, whether or not that interest is already recorded in the register. The Board Member concerned should withdraw from the meeting during the relevant discussion or decision.

MEMBERSHIP OF COMMITTEES

Board Members should not accept positions on Board Committees or working groups where a conflict of interest and/or potential conflict of interest is likely to arise, without first declaring that interest.

(III) DIRECTORS' CODE OF CONDUCT (CONTINUED...)

GUIDANCE ON ACCEPTANCE OF GIFTS

The following set out the guidelines on acceptance of gifts:-

- The conduct of individuals must not create suspicion of any conflict between their position as a member of the Board and any private interest;
- Board Members acting as such must not give the impression that they have been influenced by a benefit to show favour or disfavour to any person or organisation having dealings with the Company.
- Board Members must not accept any benefit as an inducement or reward for taking any action (or specifically not taking any action) in their official capacity as a Board Member; and
- Gifts other than of token value should generally be refused.

(IV) WHISTLEBLOWING POLICY

1. INTRODUCTION

The Group recognises whistleblowing as an important mechanism in the prevention and detection of improper conduct, harassment or corruption in the conduct of its businesses and operations.

Whistleblowing Policy is designed to encourage employees to disclose any malpractice or misconduct of which they become aware and importantly to provide protection for employees who report allegations of such malpractices or misconducts.

2. SCOPE OF POLICY

The policy applies to all employees, suppliers, agents, contractors and customers of the Group. Any whistleblowing employee is protected and any member of public who participate or assist in an investigation will also be protected. Every effort will be made to protect the anonymity of the whistleblower, however there may be situations where it cannot be guaranteed.

The strategies incorporated in this policy aim to address such reporting, responsibility, confidentiality and effective investigation. The purpose is to improve the systems and procedures, changing the attitudes of employee and improving the overall integrity and performance of the Group.

Below are some examples of business misconduct:

- Bribery;
- Anti-trust;
- Money laundering;
- Criminal offence;
- Fraud; and
- Corporate misconduct.

3. CONFIDENTIALITY

The Group is committed to the protection of genuine whistleblower against detrimental action taken in reprisal for the making of protected disclosures. The Group will take all reasonable step to protect the identity of the whistleblower, in ensuring reprisals are not made against a whistleblower. Subject to the whistleblower is not involved in the malpractice or misconduct, an employee who whistleblows internally shall be protected against any adverse employment actions (discharge, demotion, suspension, harassment, or other forms of discrimination) for raising allegations of business misconduct.

(IV) WHISTLEBLOWING POLICY (CONTINUED...)

4. DISCLOSURE METHODS

There are many methods by which whistleblowers may make a disclosure:

- from a phone call to report the suspect incidents or cases;
- written disclosure posted to the MD/CEO. However, if it is believed that is not possible, then the concern should be reported to the ARMC Chairman.

Disclosure of suspected improper activity or detrimental action can be made through formal or informal channels:-

1. Formal
 - A personally written formal disclosure;
 - A formal meeting with the MD/CEO or ARMC Chairman;
 - A phone call maintaining a sense of formality; or
 - A formal email.
2. Informal
 - An informal meeting with the MD/CEO or ARMC Chairman;
 - A casual phone call;
 - Casual discussion;
 - Casual email; or
 - Any other communication chosen by the person making the disclosure.

The disclosure report shall be made in good faith with a reasonable belief that the information and any allegation in it are substantially true, and are not made to seek any personal gains or for malicious purposes.

5. INVESTIGATOR

Upon receipt of the report, the investigation officer appointed by the MD/CEO or ARMC Chairman shall carry out the investigation immediately.

At the conclusion of the investigation, the investigator will submit a written report of his or her findings to the ARMC.

6. ACTIONS

Subsequent to the findings of the investigation, the ARMC shall provide a written report to the Board and remedial steps shall be taken accordingly.

(V) REMUNERATION POLICY

1. LEVEL AND MAKE-UP OF REMUNERATION

The Group has adopted the objective as recommended by the code to determine the remuneration of the Directors so as to ensure that the Company attracts and retains the Directors needed to run the group successfully. This policy and procedures aim to ensure that members of the Board are rewarded fairly for their respective individual contributions to the Group. The component parts of their remuneration structured so as to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the level of responsibilities undertaken by the individual Non-Executive Director concerned.

2. PROCEDURE

The RC is responsible for recommending to the Board the policy framework on terms of employment and on all elements of the Directors' remuneration and remuneration package for the Executive Directors. The RC is authorised to review and recommend the annual bonus and salary increment of the Executive Directors of the Company. Directors' remuneration is decided by the Board with the Director concerned abstaining from deliberations and voting accordingly. The RC may receive advice from external consultants, if required. It's nevertheless, the ultimate responsibility of the Board to approve the remuneration of these Directors.

3. THE RC SHALL:

- i) Ensure that Director, whether executive or non-executive, should abstain from discussion and from participating in decision of their remuneration packages.
- ii) Recommend and advise the Board of Directors the remuneration and terms of conditions (and where appropriate, severance payments) of Executive Directors.
- iii) Recommend to the Board the level, composition and periodic review of Directors' remuneration.
- iv) Seek comparative information on remuneration and conditions of service in comparable organisations and market practice.
- v) When considering severance payments, the RC 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 might deem to be excessive.
- vi) Consider that the determination of the remuneration packages of Non-Executive Director (whether in addition to or in lieu of their fees as Directors) is a matter for the Board as a whole.

(V) REMUNERATION POLICY (CONTINUED...)

- vii) Review and recommend to the Board of any extra remuneration to be paid to any Directors who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director of the Company.
- viii) Ensure that fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.
- ix) Provide the Board with the opportunity to review, prior to implementation, the composition of any management incentive scheme.
- x) Provide the Board with the opportunity, to review, prior to implementation, the nature, composition and eligibility for any employee share option scheme.
- xi) Carry out other responsibilities, functions or assignments as may defined by the Board from time to time.

4. DIRECTORS' REMUNERATION PACKAGE

The remuneration package of the Directors is as follows:

i) Basic Salary

The basic salary for the Executive Directors is recommended by the RC, taking into account the individual performance, the consumer price index and information from independent sources on the rates of salary for similar positions in other comparable companies. The salary is reviewed annually. The salary payable pursuant to a contract of service need not be determined by the Company in general meeting but such salary and emoluments may not include a commission on or percentage of turnover of the Company.

ii) Fees

The Directors shall be paid by way of fees for their services, such fixed sums (if any) as shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provide) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office.

The fees payable to Non-Executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

(V) REMUNERATION POLICY (CONTINUED...)

iii) Bonus Scheme

The Group operates a bonus scheme for all employees, including the Executive Directors. The criteria for the scheme is dependent on the level of profits achieved from certain aspects of the Group's business activities as measured against targets, together with an assessment of each individual's performance during the period. Bonuses payable to the Executive Directors are reviewed by the RC and approved by the Board.

iv) Benefits-in-kind

Other customary benefits (such as private medical cover, car, etc.) are made available to Directors as appropriate.

v) Pension Arrangements

The Executive Directors contribute to the Employees Provident Fund, which is the national mandatory contribution plan.

vi) Service Contract

The contracts of service for Executive Directors and MD/CEO are reviewed and recommended by the RC to the Board for approval.

(VI) BOARD DIVERSITY POLICY

1. INTRODUCTION

This Policy pursues to record, more formally, the Company's policy on Board diversity and to recognise the recommendation of the MCCG.

2. PRINCIPLES AND OBJECTIVES

The Group strictly adheres to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, which includes the selection of Board members. The Board encourages a dynamic and diverse composition of members by nurturing suitable and potential candidates equipped with competency, skills, experience, good character, time commitment, integrity and other qualities in meeting the future needs of the Company.

The objectives of this Policy are to have a Board which:

- is characterised by a broad range of viewpoints rather than just diversity in skills and experience; diversity in viewpoints would exist if there are diversity in gender, nationality, age, culture and socio-economic backgrounds; and
- has sustainable development as its core value, thus promoting the interests of all our stakeholders, particularly the long-term interests of our shareholders, fairly and effectively.

3. SCOPE & POLICIES

The Board considers that the concept of diversity incorporates a number of different aspects, such as professional experiences, business experiences, skills, knowledge, gender, age, ethnicity and educational background.

(a) Board Mix

The Board shall include a balanced composition of Executive, Non-Executive and Independent Non-Executive Directors to promote a strong element of independence in the Board. The Independent Non-Executive Directors shall be of sufficient caliber and standing, for their views to carry weight.

(b) Skills and Experience

The Board shall possess a balance of appropriate skills for the requirements of the business of the Company. The Directors shall have a mix of financial, legal, management and other backgrounds which when working in synergy, could provide the Company with considerable experience in a wide range of activities.

(VI) BOARD DIVERSITY POLICY (CONTINUED...)

(c) Gender

The Board takes cognisance of the recommendation of the MCCG to have at least 30% women as decision makers in corporate sector. The Company shall endeavour to increase female representation on the Board if there are appropriate candidates available when Board vacancies arise.

(d) Ethnicity

The Company aspires to have a Board of Directors of different backgrounds who can contribute their knowledge and understanding of the business, industry and environment.

(e) Age

The Board is fully committed to promote age diversity, valuing the contribution of its members regardless of age, and seeks to eliminate age stereotyping and discrimination.

4. MEASURABLE OBJECTIVES

This Policy framework for the Group is aimed towards achieving the following objectives:

1. Selection of candidates will be based on a range of diversity perspectives, including but not limited to, professional experiences, business experiences, skills, knowledge, gender, age, ethnicity and educational background. The ultimate decision will be based on merit and contributions that the selected candidates will bring to the Board. The Board's composition (including gender, ethnicity and age) will be disclosed in the Corporate Governance Overview Statement or the Corporate Governance Report annually.
2. The Board acknowledges the importance of promoting gender diversity. Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a priority.

5. MONITORING AND REPORTING

1. Pursuant to the Terms of Reference, the NC is (amongst others) responsible for:
 - reviewing, recommending and considering candidates to the Board and committees of the Board;
 - assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director on an on-going basis; and
 - assessing the balance of the Board membership and determining the core competencies and skills required for the Board.

(VI) BOARD DIVERSITY POLICY (CONTINUED...)

2. The NC shall report to the Board on:
 - initiatives undertaken by the Board in relation to Board Diversity and to achieve the Measurable Objectives;
 - progress in achieving the Measurable Objectives; and
 - recommendations regarding Measurable Objectives.
3. The Board shall, at least annually, assess:
 - Measurable Objectives; and
 - the progress in achieving the Measurable Objectives.
4. The Board will ensure that appropriate disclosures are made in the Annual Report regarding Board Diversity.

(VII) APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

1. INTRODUCTION

To develop a formal set of terms of appointment for Directors and MD/CEO.

2. OBJECTIVE

To have clear terms of appointment for Directors and MD/CEO which defines scope of responsibility and accountability, tenure, retirement age, performance goals, misconduct and termination clause among others.

3. PROCEDURE FOR APPOINTMENT FOR THE BOARD AND MD/CEO

1. Recruitment

(a) Recruitment of the Board and MD/CEO can be sourced out from internally or externally.

(b) Internal sources:

- Internal nomination from Succession Planning
- Nomination from Internal Talent Pool

(c) External sources:

- Head Hunting
- Referral

2. Procedures for Nomination

- All nominations of candidates including for the positions of MD/CEO, Chief Financial Officer or Chief Operating Officer, must be submitted to the NC for consideration.
- Chairman of the NC to recommend to the Board, based on the established "Fit and Proper" standards.
- Board of Directors deliberate on the recommendation and approve the appointment of MD/CEO/ Directors, subject to the provisions in the Constitution, ACE LR and CA 2016.

3. Re-election

- All Directors are required to submit themselves for re-election at regular intervals, subject to the provisions in the Constitution, ACE LR and CA 2016.

(VII) APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED...)

4. Negative List

- Practicing accountant may be appointed as Directors provided they are not employed/ partners in an accounting firm, which has been engaged to conduct audit or consultancy work at the Company.
- Practicing lawyers who are partners in a legal firm, which is on the panel of lawyers of the Company (and not receiving remuneration on a regular basis), may be appointed to the board. The lawyers are required to disclose the relationship with the Company on the onset to avoid potential issues of conflict of interest.
- Individuals who are active in politics cannot be appointed as Directors in order to avoid the risk of politicians encountering conflicts of interest situations in serving their constituencies. A person is considered to be politically active if he is a Member of Parliament, State Assemblyman, Supreme Council Member of a political party or member who holds a position at divisional level in a political party.

5. Disqualification of Directors and MD/CEO

- NC is responsible for assessing on an annual basis, that the Directors and key Senior Management officers are not disqualified under the CA 2016 and other regulations and continue to comply with the "Fit & Proper" standards and recommend to the Board the removal of Director/ Senior Management if they are ineffective, errant or negligent in discharging their responsibilities.

6. Others

- Before any appointment by the Board, the NC shall evaluate the balance of skills, knowledge, experience and diversity in the Board, and the current and future needs and size of the Company.

(VIII) SUCCESSION PLANNING POLICY

1. INTRODUCTION

The primary objective of the Succession policy is to ensure the Group's continuity in leadership for all key positions.

Succession planning is an ongoing process designed to ensure that the Group identifies and develops a talent pool of employees through monitoring, training and job rotation for key business leaders leave their position due to due to retirement, resignation, death or new business opportunities.

2. OBJECTIVES

- a) To ensure the Group is prepared with a plan to support operation and service continuity when key positions or key business leader positions become vacant.
- b) To ensure a continuous supply of qualified and motivated employees for higher roles and responsibilities.
- c) To develop career paths for employees which will facilitate the Group's ability to recruit and retain top-performing or highly talented employees.
- d) To develop reliable procedures and ensure that these procedures are applied systematically across the Group.
- e) To establish a process to regularly evaluate talent based on future needs and expectations.
- f) To assess the leadership needs of the Group to ensure the selection of qualified leaders that are diverse and a good fit for the organisation's mission and goals and have the necessary skills.

3. KEY POSITIONS

The key positions referred to in this policy include:

- a) Board members
- b) MD/CEO
- c) Executive Director ("ED")
- d) Chief Financial Officer ("CFO")

(VIII) SUCCESSION PLANNING POLICY (CONTINUED...)

4. ROLES AND RESPONSIBILITIES

- a) Both the Board and the MD/CEO have pivotal roles to play in succession planning.
- b) The Board is responsible for succession planning for the Board member, MD/CEO and ED position. The Board should hire internally/ appoint the new MD/CEO and ED when the position becomes vacant, and ensure that the new MD/CEO and ED has the required skills to implement the Group's mission and vision.
- c) The Board should ensure the Group is prepared with an interim solution when the key position becomes vacant unexpectedly.
- d) The MD/CEO and ED is responsible for ensuring a succession plan is in place for other key positions in the Group with assistance from the Senior Management team.

5. SUCCESSION PLANNING PROCESS

- a) A primary responsibility of the Board is planning for MD/CEO and ED succession and overseeing the identification and development of executive talent.
- b) The Board, with the assistance of the NC and working with the MD/CEO and Human Resource department, oversees executive officer development and corporate succession plan for the MD/CEO.
- c) The Board works with the MD/CEO to form the succession plan. The succession plan covers identification of internal candidates, development plans for internal candidates, and appropriate identification of external candidates.
- d) The Board reviews the succession plan annually.
- e) The Board maintains an emergency succession contingency plan should an unforeseen event such as death or disability occurs that prevents the holders of key positions from continuing to serve. The plan identifies the individuals who would act in an emergency and their responsibilities.
- f) The Board may review development and succession planning more frequently as it deems necessary.

(VIII) SUCCESSION PLANNING POLICY (CONTINUED...)

6. KEY SUCCESS FACTORS

- a) The support from the Board, MD/CEO together with Senior Management is crucial in the succession planning process. This will give all employees an understanding on the emphasis of importance of succession planning to the Company.
- b) To establish a clear profile of the key positions, the profile should align with the overall company strategy and positioning in the marketplace, as well as factors such as current economic conditions and industry trends.
- c) The succession plan should be reviewed and updated regularly to ensure that the Company has reassessed its hiring needs and monitored the development progress of the selected candidates.

7. REVIEW OF POLICY

This Policy should be reviewed annually by the Board and amended accordingly to reflect its applicability.