

BOARD CHARTER

Introduction

It is the policy of the Company to manage the affairs of the Group in accordance with the appropriate standards for good corporate governance. The Board of Directors (“Board”) has overall responsibility for the proper conduct of the Company’s business and assumes responsibility of effective stewardship and control of the Company.

Purpose

This Board Charter sets out the authority, role, functions, composition and responsibilities of the Board to assist the Board members to be aware of their duties and responsibilities.

Authority

The Board derives its authority to act from the Memorandum and Articles of Association of the Company and the prevailing laws and regulations governing companies in Malaysia.

Composition, Appointment and Re-election

The Articles of Association of the Company provide for a minimum of two (2) Directors and a maximum of twelve (12) Directors.

The Board should comprise suitably qualified individuals with diverse set of skills, knowledge, expertise and experience. On an annual basis, the Board reviews the composition in terms of size, the balance between executive, non-executive and independent Directors and mix of skills.

The Board considers the appointment of new director upon the recommendation from the Nomination Committee. In making these recommendations, the Nomination Committee will consider the skills, knowledge, expertise and experience, professionalism, integrity and in the case for the position of independent non-executive directors, their ability to discharge such responsibilities/functions as expected from independent non-executive directors.

An election of Directors shall take place each year. The Articles of Association of the Company provide that at least one-third (1/3) of the Directors are subject to retirement by rotation at each Annual General Meeting and that all the Directors shall retire once in every three years. A retiring Director is eligible for re-election. The Articles of Association also provide that a Director who is appointed by the Board in the course of the year shall be subject to reelection at the next Annual General Meeting to be held following his appointment.

Independence of Director

The Board assesses the independence of the Directors annually by having regard to the criteria adopted for assessing the independence of Directors. The Board would apply these criteria upon admission, annually and when any new interest or relationship develops.

Pursuant to the latest Malaysia Code of Corporate Governance (MCCG 2017), at least half of the board should comprise independent directors.

New Directorships

All the Board members shall notify the Board before accepting any new directorships in public and public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction. The Chairman of the Board shall notify all the Board members before accepting any new directorships in public and public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction. The notification should include an indication of the time that will be spent on the new appointment.

Chairman and Managing Director

The roles of Chairman and Managing Director are distinct and separate to ensure there is a balance of power and authority.

The responsibilities of the Chairman, amongst other, are as follow:

- Overseeing the board in the effective discharge of its supervisory role; and
- Facilitates effective contributions of all members of the board during meetings.

The responsible of the Managing director, amongst others, are as follow:

- Responsible for the vision and strategic directions of the Group;
- Initiating innovative ideas to create competitive edge and development of business and corporate strategies.
- Assisted by the executive director for implementing the policies and decisions of the Board and overseeing the day-to-day operations of the Group.

Roles and Responsibilities of the Board

The Board assumes, amongst others, the following roles and responsibilities in respect of the Group:-

- Reviewing and adopting corporate policies and strategic plan for the Group.
- Overseeing and evaluating the conduct of the Group's businesses.
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks.
- To review succession plan for the Board and senior management.
- Overseeing the development and implementation of a shareholder communication policy for the Company.
- Reviewing the adequacy and the integrity of the management information and internal controls system of the Group.
- Approving key matters such as financial results as well as major investments and divestments, major acquisitions and disposals and major capital expenditure in accordance with the limits of authority.
- Annual assessment of the Board, Board committees and individual Directors.

In carrying out its duties, the Board has amongst others, a formal schedule of matters specifically reserved for its decision, including overall strategic direction, annual operating plan, capital expenditure plan, material acquisitions and disposals, material capital projects and the monitoring of the Group's operating and financial performance.

Board Committees

The Board may from time to time establish Committees as it considers appropriate to assist in carrying out its duties and responsibilities. The Board has established the following committees which shall be operated under clearly defined terms of reference:-

- Audit Committee
- Remuneration Committee
- Nomination Committee.

The Chairman of the respective Committees will report and update the Board on significant issues and concerns discussed and where appropriate, make the necessary recommendations to the Board.

The Board may also delegate specific functions to ad hoc committees, a Director, employee or other person as and when required.

Board Meetings

The Board will have minimally four (4) scheduled meetings annually, with additional meetings to be convened as and when necessary.

Notice of meetings setting out the agenda and accompanied by the relevant Board papers are given to Directors in sufficient time to enable the Directors to peruse, obtain additional information and/or seek further clarification on the matters to be deliberated.

As a Group practice, any Director may seek company secretary's advice in the course of discharging his duties.

Directors shall have access to all the information and records of the Company.

Code of Ethics

The Board observes the Company Directors' Code of Ethics established by the Companies Commission of Malaysia.

Review of the Board Charter

The Board Charter will be periodically reviewed and updated to take into consideration the needs of the Company as well as any development in rules and regulations that may have an impact on the discharge of the Board's duties and responsibilities.

This Board Charter was adopted by the Board in year 2017.