



**THMY Holdings Bhd.**  
*Quality & Efficiency*

# **Board Charter**

## 1. Preamble

The Board of Directors of THMY Holdings Berhad ("**THMY**" or "**the Company**") ("**Board**") is primarily responsible for the business and affairs of the Company and its subsidiary(ies) ("**the Group**" or "**THMY Group**") and strongly believes that good corporate governance is essential for delivering sustainable value and enhancing business integrity apart from maintaining the confidence of shareholders/ investors of the Group ("**Shareholders**") in achieving its corporate objectives and vision.

Accordingly, this Board Charter ("**Charter**") is established with the aim of enshrining the concepts of good governance as promulgated in the Malaysian Code on Corporate Governance 2021 issued by the Securities Commission Malaysia.

The Charter serves as a reference point for Board activities and should not be construed as a blueprint for Board operations. It is aimed to provide guidance for the Board and management vis a vis the role of the Board and its committees, the requirements of the Directors of the Company ("**Directors**") in carrying out their stewardship roles and in discharging their duties towards the Company as well as the Board's present practices.

Just as each organisation has its own corporate culture, the dynamics of each Board is unique. The dynamics shift as the composition of the Board changes, and the Directors should always be open to new opportunities and ready to confront new challenges brought about by change.

The Charter is to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and management with regards to the role of the Board and its committees, the requirements of Directors in carrying out their role and in discharging their duties towards the Company as well as the Board's operating practices.

The Charter does not overrule or pre-empt the statutory requirements of Directors as enshrined in Companies Act, 2016, the Income Tax Act 1967 and other relevant statutes, including the conduct of the Board as stipulated in the Constitution of the Company ("**Constitution**"). The Constitution prevails to the extent of any conflict between the terms of the Charter and the Constitution.

## 2. Interpretation

### 2.1 In the Charter:

"**Act**" means the Companies Act, 2016.

"**Board**" or "**BOD**" means the Board of Directors of the Company.

"**Bursa Securities**" means Bursa Malaysia Securities Berhad.

**"CEO"** means Chief Executive Officer of the Company and Deputy Chief Executive Officer and shall be inter-changeable with the term MD/ Deputy MD.

**"Chairman"** means the chairman of the Board and is used in a gender-neutral sense.

**"Charter"** means the charter of the Board.

**"Committees"** or **"Board Committees"** means Audit and Risk Management Committee, Remuneration Committee and Nomination Committee, collectively.

**"Company Secretary"** means the Board secretary(ies) or the person(s) normally exercising the functions of a Board secretary.

**"Director(s)"** means the director(s) of the Company.

**"Executive Director"** means a Director who is also a paid employee of the Company and is involved in the day-to-day management of the Group. The Executive Director will include the MD and/or CEO.

**"Group CEO"** means the CEO or Deputy CEO of the Group and shall be inter-changeable with the term Group MD/ Deputy Group MD.

**"Group Executive Director"** means a Director who is a paid employee of the Group and is involved in the day-to-day management of the Group. The Group Executive Director will include the Group MD and Group CEO.

**"Group MD"** means the Group MD or Deputy Group MD of the Group and shall be inter-changeable with the term Group CEO/ Deputy Group CEO.

**"Independent Director"** is defined in accordance with Rule 1.01 of the Listing Requirements.

**"Listing Requirements"** means the ACE Market Listing Requirements of Bursa Securities.

**"Management"** means the management personnel(s) of the Group.

**"MCCG"** means the Malaysian Code on Corporate Governance 2021 issued by the Securities Commission Malaysia.

**"MD"** means the Managing Director or Deputy Managing Director of the Company and shall be inter-changeable with the term CEO/ Deputy CEO.

**"Senior Management"** means senior management personnel(s) of the Group.

**"Shareholder(s)"** means the shareholders of the Company.

Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

### **3. Objectives of the Board**

The Board is accountable to the Shareholders and is responsible for the stewardship of the Group's business and affairs on behalf of the Shareholders. Significantly, the Board shall seek to ensure that the business objectives of the Group are aligned with the expectations of Shareholders with a view to enhance long-term Shareholders' value whilst take into account the interests of other stakeholders and maintaining high standards of transparency, accountability and integrity.

Additionally, often, the Board has to warrant that the operations of the Group are being managed in a manner that is focused on business objectives, conforming to regulatory and ethical requirements as well as maintaining high standards of transparency, accountability and governance.

### **4. Role of the Board**

**4.1** The Board's role is to provide leadership to the Group within a framework of prudent and effective controls which enable risk to be assessed and managed.

**4.2** The Board has delegated certain responsibilities to Committees which operate in accordance with the Charter approved by the Board and delegated the day-to-day management of the business of the Group to Management, executive officer and CEO/MD subject to an agreed authority limit.

The Board shall reserve a formal schedule of matters for its decision. This includes strategic issues and planning, material acquisition and disposal of assets, capital expenditure, authority levels, treasury policies, risk management policies, the appointment of auditors and review of the financial statements, financing and borrowing activities, ensuring regulatory compliance and reviewing the adequacy and integrity of internal controls.

**4.3** The principal responsibilities of the Board (including those adopted from the MCCG) are:

- i. Reviewing and adopting a strategic plan for the Group and instituting a regular and formal Board strategy review to ensure that the strategic plan supports long term value creation and includes strategies on economic, environmental, social and governance considerations underpinning the sustainability of its business and operations;

- ii. Overseeing the conduct of the business, supervising and assessing Management's performance to evaluate whether the business is being properly managed and that the Group's performance is aligned with its strategy notwithstanding that some of the subsidiary(ies) have separate Board of Directors;
- iii. Reviewing, challenging and deciding on Management's proposals for the Group and monitor its implementation by Management;
- iv. Anticipating changes in the market and ensuring that the Group's capabilities and resources are sufficient to manage uncertainties;
- v. Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
- vi. Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing Board members and Senior Management;
- vii. Developing and implementing an investor relations programme or shareholder communications policy for the Group;
- viii. Reviewing the adequacy and the integrity of the Group's risk management, internal control systems and management information systems, including systems/ reporting framework for compliance with applicable laws, regulations, rules, directives and guidelines;
- ix. Determining the remuneration of non-executive Directors, with the individuals concerned abstaining from deliberations and voting on their own remunerations;
- x. Ensuring that the Group's financial statements are true and fair and conform with the other relevant laws; and
- xi. Ensuring that the Group adheres to high standards of ethics and corporate behaviour.

**4.4** In overseeing the conduct of the business, the Board shall ensure that an appropriate financial planning, operating and reporting framework as well as an embedded risk management framework is established. Elements under this combined framework include business plan, budget, financial statements, divisional strategic/ performance review reports and risk management reports.

## **5. Board Structure**

### **5.1 Board Balance and Composition**

- 5.1.1. The Board should be of a size and composition with the benefit of a variety of perspectives and skills that are conducive to effective decision making and effective discharge of its roles and responsibilities for the benefit of the Group and its business.

It is also important for the Board to keep its size at a reasonable level. Boards that are too small or too large may significantly limit the level of individual participation, involvement and effectiveness. The Constitution allows a minimum of two (2) and a maximum of fourteen (14) Directors but the Board shall examine and determine its size periodically in relation to the effective running of the Group's business.

- 5.1.2. The appointment of a new member to the Board (as well as for those who retire and offer themselves for re-appointment or re-election) is a matter for consideration and decision by the full Board upon recommendation from the Nomination Committee. In making these recommendations, the Nomination Committee shall be guided by its Terms of Reference and the Directors' Fit and Proper Policy to assess the suitability of candidates, taking into consideration the fit and proper criteria.

Without limiting the generality of the foregoing, the qualifications for Board membership are the ability to make informed business decisions and recommendations, an entrepreneurial talent for contributing to the creation of Shareholders' value, relevant experience, the ability to appreciate the wider picture, the ability to ask probing operationally related questions, high ethical standards, sound practical sense and total commitment to furthering the interests of Shareholders and the achievement of the goals of the Group.

The Board recognises the significant representation by Directors who are capable and willing to make business decisions and judgement in the best interest of the Group and free from influences which would give rise to conflict of interest with that duty and are also independent of Management. The Board recognises the importance of independence and objectivity in its decision making process. At any one time, at least two (2) or one-third (1/3) of the Board, whichever is higher, shall be Independent Directors.

- 5.1.3. The Board recognises the need for the composition to reflect a range of skill mix and expertise. High levels of professional skills and appropriate personal qualities are prerequisites for directorships.

- 5.1.4. The Board recognises the need for an appropriate balance between Executive Directors who possess extensive direct experience and expertise in the core business activities of the Group, and non-executive Directors who have outstanding track records and reputations attained at the highest levels of business and commerce generally, and who are able to bring to the Board a broad range of general commercial expertise and experience.
- 5.1.5. The Board also recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Company to ensure a balance of power and authority. It is the policy of the Board to keep the roles of the Chairman and the Group MD/ Group CEO separate.
- 5.1.6. The Board shall comprise at least one (1) woman Director. To the extent where practicable, the Board shall comprise at least half of the Independent Directors and 30% women Directors to maintain a balance Board composition in line with the MCCG.
- 5.1.7. The Board is mindful of the recommendation for Board diversity and, under this circumstance, the Nomination Committee shall ensure that women candidates are sought during its recruitment exercise and consider gender diversity in its recommendation to the Board.

Evaluation of the suitability of any candidate is based on the criteria as stipulated in **Section 5.1.2** to ensure that the candidate brings value and expertise to the Board.

## **5.2 Role of the Chairman**

- 5.2.1. The Chairman carries out a leadership role in the conduct of the Board and its relations with the Shareholders and other stakeholders.
- 5.2.2. The Chairman is primarily responsible for:
  - (a) Leading the Board in the oversight of management;
  - (b) Acting as a representative of the Board;
  - (c) Representing the Board to Shareholders and chairing general meetings of Shareholders;
  - (d) Ensuring the adequacy and integrity of the governance process and issues;
  - (e) Maintaining regular dialogue with the Group MD/ Group CEO over all operational matters and consulting with the remainder of the Board promptly over any matters that give him/ her cause for major concern to optimise the effectiveness of the Board and its Committees;

- (f) Functioning as a facilitator at Board meetings to ensure that no member, whether executive or non-executive, dominates the discussion, that appropriate discussions take place and that relevant opinions among members are forthcoming. The Chairman will ensure that discussions result in logical and understandable outcomes;
- (g) Ensuring that all Directors are enabled and encouraged to participate in its activities. This includes ensuring all relevant issues are on the agenda and that all Directors receive timely, relevant information tailored to their needs and that they are properly briefed on issues arising at Board meetings;
- (h) Ensuring that Executive Directors look beyond their executive function and accept their full share of responsibilities of governance and provide regular updates on all issues pertinent to the welfare and future of the Group to the Board;
- (i) Guiding and mediating Board actions with respect to organisational priorities and governance concerns;
- (j) Undertaking the primary responsibility for organising information necessary for the Board to deal with items on the agenda and for providing this information to Directors on a timely basis; and
- (k) Performing other responsibilities assigned by the Board from time to time.

5.2.3. The Chairman may delegate specific duties to the Executive Directors, Board members and/or Committees as appropriate.

### **5.3 Role of the Group MD/ Group CEO**

- 5.3.1. The position of the Group MD/ Group CEO, in essence, is to ensure the effective implementation of the Group's business plan (including strategic plan) and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure smooth operation.
- 5.3.2. The Group MD/ Group CEO, in association with the Chairman, is accountable to the Board for the achievement of the Group's missions, goals and objectives and the Group MD/ Group CEO is accountable to the Board for the observance of Management's limitations.
- 5.3.3. The Group MD/ Group CEO shall be the chief spokesperson for the Group.
- 5.3.4. At each of its scheduled meetings, the Board should expect to receive from or through the Group MD/ Group CEO:

- (a) Summary reports on the performance and the activities of the Company's subsidiary(ies) and specific proposals for capital expenditure and acquisitions and disposals in accordance with the Discretionary Authority Limits(if any); and
  - (b) Such assurances as the Board considers necessary to confirm that the Management limitations are being observed.
- 5.3.5. The Group MD/ Group CEO is expected to act within all specific authorities delegated to him or her by the Board. The delegation is subject to and limited by, the terms of the Charter (including matters reserved for decision by the Board and any specific limitations on authority imposed by the Board from time to time).
- 5.3.6. The responsibility of the Group MD/ Group CEO should be stated in an agreed job description and generally, the Group MD/ Group CEO is responsible to the Board for the following:
- (a) Executive management of the business covering, inter alia, the development of a strategic plan; an annual operating plan and budget; performance benchmarks to gauge management performance against and the analysis of management reports;
  - (b) Developing long-term strategic and short-term profit plans, designed to ensure that the Group's requirements for growth, profitability and return on capital are achieved;
  - (c) Directing and controlling all aspects of the business operations in a cost effective manner;
  - (d) Effectively oversees the human resources of the Group with respect to key positions in the Group's hierarchy, makes recommendations to the Board for recruitment of Senior Management staff, determination of remuneration as well as terms and conditions of employment for Senior Management and issues pertaining to discipline;
  - (e) Ensures that the Group's financial reports present a true and fair view of its financial condition and operational results and are in accordance with the relevant accounting standards;
  - (f) Assures the Group's corporate identity, products and services are of high standards and are reflective of the market environment;
  - (g) Be the official spokesman for the Company and responsible for regulatory, governmental and business relationships;

- (h) Ensures compliance with governmental procedures and regulations;
- (i) Coordinates business plans with the business heads, coordinates management issues through the Board, and oversees divisional function groups and cost containment processes in consultation with the Chief Financial Officer/ Financial Controller and the Regional Office or Head Office;
- (j) Maintains and facilitates a positive working environment and good employee relations;
- (k) Assists in the selection and evaluation of Board members through the Nomination and Remuneration Committees; and
- (l) Assists the Chairman in organising information necessary for the Board to deal with the agenda and for providing this information to Directors on a timely basis.

In discharging the above responsibilities, the Group MD/ Group CEO can delegate appropriate functions to the Executive Director, who shall report to the Group MD/ Group CEO.

#### **5.4 Role of the Independent Non-Executive Directors (“INED”)**

- 5.4.1. An INED must fulfill the provisions and definition of Independent Director under the Listing Requirements at all times, and must declare their independence to the Board annually.
- 5.4.2. The INEDs shall be 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 or the ability to act in the best interests of the Company.
- 5.4.3. INEDs could act as a link between Management, Shareholders and other stakeholders. They should provide the relevant checks and balances and ensure that high standards of corporate governance are applied whilst taking into consideration the interests of the Shareholders and other stakeholders.

#### **5.5 Tenure of Directors**

- 5.5.1. Pursuant to the Constitution, all Directors must retire once at least every three (3) years but shall be eligible for re-election.

- 5.5.2. The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. The nine (9) years can either be a consecutive service of nine (9) years or a cumulative service of nine (9) years with intervals. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a non-independent Director.
- 5.5.3. If the Board intends to retain the Independent Director after nine (9) years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process in accordance with the best practice of MCCG.
- 5.5.4. The tenure of the Executive Directors is tied to their executive office.

## **5.6 Company Secretary**

- 5.6.1. The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognises the fact that the Company Secretary should be suitably qualified and capable of carrying out the duties required of the post.
- 5.6.2. The key role of the Company Secretary is to provide unhindered advice and service to the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.
- 5.6.3. Other primary responsibilities of the Company Secretary shall include:
  - (a) Prepare agendas and coordinate the preparation of meeting papers and managing the Board and meeting logistics and Committee meetings and facilitating Board communications;
  - (b) Advise the Board on its roles and responsibilities and ensure that Board procedures and applicable rules are observed;
  - (c) Advise the Board on corporate disclosures and compliance with regards to company and securities regulations, Listing Requirements as well as the corporate governance best practices;
  - (d) Maintain records of the Board and ensure effective management of organisation's records;
  - (e) Attend and prepare minutes to document Board proceedings and ensure conclusions are accurately recorded;

- (f) Timely dissemination of information relevant to Directors' roles and functions and keeping them updated on new or evolving regulatory requirements;
- (g) Monitor governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;
- (h) Facilitate the orientation of new Directors and assist in Directors' training and development;
- (i) Assist the communication between the Board and Management;
- (j) Manage processes pertaining to the Annual General Meeting ("**AGM**") and Extraordinary General Meeting ("**EGM**"), if any;
- (k) Serve as a focal point for stakeholders' communication and engagement on corporate governance issues; and
- (l) Provide full access and service to the Board and carry out other functions deemed appropriate by the Board from time to time.

## **5.7 Board Committees**

- 5.7.1. The Board reserves the right to establish Committees from time to time to discharge its duties and responsibilities. The existence of the Board Committees does not diminish the Board's responsibilities for the affairs of the Group where the delegation of power shall be subject to the respective approved terms of references and are in accordance with the Charter.
- 5.7.2. Where a Committee is formed, specific terms of reference for the Committee shall be established to cover matters such as purpose, composition and functions.
- 5.7.3. The following standing committees with written terms of reference have been established:

### **a) Audit and Risk Management Committee ("**ARMC**")**

The ARMC assists in providing oversight on the Group's financial reporting, disclosure, regulatory compliance, risk management and monitoring of internal control processes within the Group. The ARMC reviews, among others, the quarterly financial statements, unaudited and audited financial statements, internal and external audit reports, conflict of interest situations (both potential and existing), related party transactions and other matters as prescribed in its terms of reference.

**b) Nomination Committee ("NC")**

The NC oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its committees and the contribution of each individual Director as well as identify candidates to fill Board vacancies, and nominating them for approval by the Board. The NC also oversees the facilitation of Directors' induction, training and succession programmes and other matters as prescribed in its terms of reference.

**c) Remuneration Committee ("RC")**

The RC is primarily responsible for recommending to the Board the remuneration policies and framework, in all forms, of the Directors (both executive and non-executive), Senior Management and/or any other persons as the NC is designated to consider by the Board, drawing from outside advice if necessary, as prescribed in its terms of reference.

- 5.7.4. The Chairman of the Board shall not be a member of the ARMC, NC or RC.
- 5.7.5. The Chairman of the respective Board Committee reports to the Board on the outcome of the Board Committees meetings.
- 5.7.6. The terms of reference of each Board Committee are available on the Company's website.

**5.8 The Board's Relationship with Shareholders and Stakeholders**

- 5.8.1. The Board shall maintain an effective communication policy that enables both the Board and Management to communicate effectively with its Shareholders, stakeholders and the general public.
- 5.8.2. It is the responsibility of the Board to ensure that the AGM and EGM of the Company are conducted in an efficient manner and serve as a crucial mechanism in Shareholders' communication. This includes the supply of comprehensive and timely information to Shareholders and the encouragement of active participation at general meetings. The Board will focus its efforts to abide by the following best practices to enhance the effectiveness of the general meetings:
  - (a) Ensure that each item of special business included in the notice is accompanied by a full explanation of the effects of the proposed resolution;
  - (b) For re-election of Directors, ensures that the notice of meeting states which

Directors are standing for election or re-election with a brief description to include matters such as age, relevant experience, list of directorships, date of appointment to the Board, details of participation in Board Committee and the independence of the Director (if applicable);

- (c) Ensure that all resolutions are considered by poll and announce the detailed results of the votes cast for and against in each instance;
  - (d) Ensure that the Chairman provides reasonable time for discussion at the meeting. The Board will also undertake to provide written answers to any significant question which cannot be answered immediately; and
  - (e) Conduct a business presentation with a question and answer session, where appropriate and if required.
- 5.8.3. The Chairman and/or Group MD/ Group CEO shall take responsibility for addressing queries from Shareholders, stakeholders and analysts. In the performance of this responsibility, the Chairman and/or Group MD/ Group CEO shall be mindful of the regulatory requirements pertaining to price-sensitive information.
- 5.8.4. The Corporate Disclosure Policy which provides detailed guidance on communication with Shareholders and other stakeholders is available on the Company's website.

## **6. Board Processes**

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

### **6.1 Frequency**

- 6.1.1. The Board should meet regularly, at least on a quarterly basis. The Chairman or any Director may request additional meetings to table matters of urgency. Prior notice of meetings will be given to all who are required to attend the meetings.
- 6.1.2. Board members are required to attend the Board meetings and attendance of each individual Director in the meetings held in a financial year is required to be disclosed in the Annual Report. Other senior officers/ Management who can provide additional insight into matters under discussion or such other persons deemed appropriate by the Board may be invited to attend for particular items within their responsibilities. The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises.

- 6.1.3. Additional formal business is dealt with as required, whether by physical, videoconferencing or telephonic meetings, as well as other electronic meetings defined in the Constitution. All notices, resolutions, attendance, transactions, quorums and votes obtained through electronic means shall be deemed valid and effective unless it contravenes the requirements of relevant statutes and regulations.
- 6.1.4. All Board meetings will be conducted in accordance with the Constitution and applicable laws.
- 6.1.5. The Chairman, or in his absence, a Director from amongst Board members present shall be appointed to preside at all meetings.
- 6.1.6. The quorum for Board meetings is two (2) Directors present in person or by teleconference, video, electronic or such other communication facilities that would facilitate real-time participation.
- 6.1.7. All Board decisions shall be made through consensus. In the event consensus cannot be reached, it shall be decided by a majority of votes and in the event of equality of votes, the Chairman shall have a second or casting vote in accordance with the Constitution. When only two (2) Directors form a quorum, the Chairman of the meeting at which such a quorum is present, or at which only two (2) Directors are competent to vote, the Chairman shall NOT have a casting vote.
- 6.1.8. Any issues which arise between meetings can be resolved through circular resolutions subsequent to the Board being apprised of the issues. These circular resolutions shall be valid and effective if approved by the majority of Directors in any written form – letter facsimile or other forms of electronic communications.

## **6.2 Agenda**

- 6.2.1. The notice of a Directors' meeting should be given in writing at least seven (7) days prior to all Board meetings except for cases of emergencies with full Board consent for short notice. Notices may be sent through any means of telecommunication in permanent written form as prescribed in the Constitution.
- 6.2.2. A well-prepared Board agenda will enhance the Board's productivity and strengthen its strategic and supervisory role. The Chairman, together with the Executive Director(s) and the Company Secretary, shall undertake the primary responsibility for preparing the Board's agenda. The agenda shall include, amongst others, matters specifically reserved for the Board's decision. Due consideration should be given to items for inclusion, sequence of items, estimated time required for each item as well as the necessary Board papers

needed to be provided to the Board (including items to be sent in advance). In the case of sensitive and confidential information, these Board papers may be circulated just prior to the Board meeting. The Company Secretary or person assigned by the Chairman shall record the Board's deliberation, in terms of the issues discussed, and the conclusions thereof in discharging its duties and responsibilities.

### **6.3 Meeting Papers**

- 6.3.1. As a matter of best practice and to allow ample time for Directors to consider the relevant information, Board papers and agenda items are to be circulated at least seven (7) days prior to the meeting or a shorter period when unavoidable. It is recommended that where there is a need to table a report, a brief listing of findings and/or recommendations is prepared.
- 6.3.2. The minutes of Board meetings shall be prepared within one (1) month following a Board meeting and shall be circulated in draft form. The draft minutes shall be re-circulated together with the Board papers at the following Board meeting in readiness for approval. The practice is for minutes to record processes and decisions rather than a historical narrative of the discussion. If one or more Directors request their opinion to be noted, the Company Secretary shall comply with the request.

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

- 6.4.1. All Directors (executive and non-executive) have the same rights of access to all information within the Group, whether as a full Board or in their individual capacity, in furtherance of their duties and responsibilities as Directors.
- 6.4.2. Non-executive Board members are expected to notify, via electronic mail or call, the Executive Directors and/or the Company Secretary before contacting any members of the Senior Management on any matters.
- 6.4.3. A record of submissions, papers and materials presented to the Board, is maintained and held by the Company Secretary together with minutes of meetings, and is accessible to the Directors.
- 6.4.4. All Directors should have access to the advice and services of the Company Secretary. The Board should recognise that the Chairman is entitled to support the Company Secretary in ensuring the effective functioning of the Board.

- 6.4.5. The full Board or in their individual capacity, in furtherance of their duties, shall be able to obtain independent professional advice at the Company's expense provided that such Director shall justify his action and obtain written approval from the Board.
- 6.4.6. Subject to prior approval of the Chairman, the cost of the advice will be reimbursed by the Company but the Director will ensure, so far as is practicable, that the cost is reasonable.

## **6.5 Induction Process**

- 6.5.1. The objective of the induction process is to provide the Directors with a rapid and clear insight into the Group as well as keeping them abreast with development in the marketplace pertaining to the oversight function of Directors. This will enable the Directors to discharge their duties and responsibilities effectively.
- 6.5.2. Induction of Directors may include, but not limited to, the following:
  - (i) Time with other Directors, in particular the Chairman, Company Secretary and, if the Independent Director is a functional specialist, his counterpart;
  - (ii) Furnishing of a copy of the previous Board minutes for at least the past six (6) months; the business/ strategic plan, pertinent Management reports; and significant reports by management consultants on areas of Board responsibilities;
  - (iii) Visits to key sites (including overseas locations, if required); and
  - (iv) A formal 1 to 2-day induction programme, including the elements above.

## **6.6 Directors' External Commitments and Conflict of Interest ("COI")**

- 6.6.1. COI refers to a situation where:
  - (i) the interests of the Director or person connected with such Director, interfere, or appear to interfere, with the interests of the Company and/or its Group; or
  - (ii) the Director or person connected with such Director has interests that may make it difficult to perform his/her role objectively and effectively.

COI is not limited to direct financial interest but also include an indirect financial interest, non-financial interest (e.g. arising from relationships whether family, business or professional interests), or competing loyalties or interests.

Conflict may be actual or potential, may be financial or non-financial or may arise from competing loyalties or interests.

A potential COI is a COI that has yet to materialise or happen, but may arise subsequently due to, among others, prevailing relationships or interests of the Director.

- 6.6.2. The Act provides that a Director who is in any way, whether directly or indirectly, interested in a contract entered into or proposed to be entered into by the Company shall be counted only to make the quorum at the Board meeting but shall not participate in any discussion while the contract or proposed contract is being considered at the Board meeting and shall not vote on the contract or proposed contract.
- 6.6.3. Should there be an actual, potential, or perceived conflict of interest between the Group or a related corporation and a Director, or an associate of a Director such as spouse or other family members, or a related company, the Director involved shall:-
  - (i) make full disclosure to the Board any actual, potential or perceived conflict of interest which may exist or be thought to exist as soon as they become aware of the issue;
  - (ii) take any necessary and reasonable measures to try to resolve the conflict; and
  - (iii) comply with the provisions of the Act and Listing Requirements on disclosing interests and restrictions on voting.
- 6.6.4. An actual, potential, or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest and mitigation measures (if applicable) have been made in good faith and with due honesty.
- 6.6.5. The Company Secretary shall aid the annual independence and conflict of interest self-declaration by the Directors.
- 6.6.6. The Company shall ensure that its Board members have the character, integrity,

experience, competence and time to effectively discharge their roles.

6.6.7. The Board members shall ensure that they dedicate sufficient time to carry out their roles and responsibilities. Each Director shall provide such a commitment at the point of appointment. Each Director is also required to commit to attend at least 50% of the Board meetings held in a financial year.

6.6.8. A Director shall hold not more than five (5) directorships in public companies listed on Bursa Securities. Prior to accepting any new appointment, Directors shall notify the Chairman in writing, and this shall include an indication of time that will be spent on the new appointment.

## **7. Representation of the Company**

**7.1** The Board looks to the Group MD/ Group CEO, working together with the Chairman, to speak on behalf of the Group and to manage the communication of information to investors, other stakeholders and the public in an orderly and effective manner while adhering, at all times, to relevant laws and regulatory requirements with reference to the Company's Corporate Disclosure Policy.

**7.2** INEDs, to the extent possible, should avoid commenting on the Company to external audiences. This is to avoid confusion and to ensure that the Board speaks in one voice.

**7.3** The Group shall use information technology in its communication with Shareholders and other stakeholders. The usage shall include having a dedicated section on the Group's corporate website to provide updated information such as quarterly financial statements, Board Charter and Annual Report, amongst others.

## **8. Remuneration of the Directors**

**8.1** The Executive Directors shall receive remuneration that is recommended by the RC.

**8.2** The INEDs will be paid a fixed fee for their roles as Directors, subject to shareholders' approval at general meetings. In addition, they will also receive fees for attendance at meetings and for the responsibilities undertaken in Committees.

**8.3** The remuneration for all Directors shall be approved by the Board with the Directors concerned abstaining from participating in the discussion of his individual remuneration. Remuneration payable shall be in line with the Directors' Remuneration Policy.

## **9. The Constitution and Management's Limits**

- 9.1** The Board operates pursuant to the powers and is subject to clauses in the Constitution as adopted by Shareholders in general meetings.
- 9.2** The Management is expected to act within all specific authorities delegated to it by the Board under the Discretionary Authority Limits. Nevertheless, the Board is still charged with the responsibility for the exercise of such power by the delegate as if such power had been exercised by the Directors themselves. This responsibility can be negated only when:
- (a) The Board believes, on reasonable grounds, that the delegate would exercise the delegated powers in conformity with the Act and the Constitution; and
  - (b) The Board believes, on reasonable grounds, in good faith and after making a proper inquiry that the delegation (where necessary) is reliable and competent in relation to the powers delegated.
- 9.3** The Management is expected not to cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics.

## **10. Review of the Charter**

- 10.1** The Charter shall be reviewed by the Board when necessary to ensure its relevance in aiding the Board to discharge its duties and responsibilities vis a vis the changes in corporate laws and regulations that may arise from time to time.

## **11. Approval**

This Charter is adopted by the Board on 14 February 2025.