



**ALCOM GROUP BERHAD**

Registration No. 201701047083 (1261259-V)  
Incorporated in Malaysia under the Companies Act, 2016

**BOARD CHARTER**

(Adopted on 26 November 2024)

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## I. BOARD'S ROLE AND RESPONSIBILITIES

The Board of Directors ("**Board**") representing the shareholders are empowered to ensure the proper management of the entity, including optimising long-term financial returns. The Board is responsible for ensuring that the Company and its subsidiaries ("**Group**") are managed to achieve this result.

In addition to fulfilling its obligations for increased shareholder value, the Board has responsibility to the Group's customers, employees, suppliers and to the environment, governance and communities where it operates, all of whom are fundamental to a successful business.

The duties, powers and functions of the Board are governed by the Constitution of the Company, the Companies Act, 2016 ("**CA 2016**"), regulatory guidelines and requirements that are in force.

Having regard to the responsibilities and obligations, the Board will direct and supervise the management of the business and affairs of the Group including:

1. Ensuring that the Group's goals are clearly established, the necessary resources are in place for the Group to meet its objectives and that strategic plan, which promotes long-term value creation by incorporating strategies related to economic, environmental, safety and health, social and governance considerations, while also addressing climate-related risks and opportunities to support sustainability (Practice 1.1, Malaysian Code on Corporate Governance ("**MCCG**") 2021);
2. Establishing policies for strengthening the performance of the Group including ensuring that management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
3. Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed. This includes ensuring the solvency of the Group and the ability of the Group to meet its contractual obligations and to safeguard its assets;
4. Appointing the Managing Director/Chief Executive Officer/Executive Director, including setting the relevant terms and objectives and where necessary, terminating his/her employment with the Group;
5. Ensuring that the Group has appropriate and sound business risk management framework and corporate governance framework, including adequate control environment be it the internal control systems and management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines, and controls to identify, analyse, evaluate, manage and monitor significant financial, non-financial and business risks;
6. Appointing board committees to address specific issues, considering recommendations of the various board committees and discussing problems and reservations arising from these committees' deliberations and reports;
7. Ensuring that the statutory accounts of the Company and the Group are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;

8. Ensuring that there is in place and appropriate succession plan for members of the Board and senior management;
9. Ensuring that the Group adheres to high standards of ethics and corporate behaviour in accordance with the Group's Code of Conduct including transparency in the conduct of business. Directors are required to comply with the Directors' Code of Best Practice;
10. Reviewing the Board Charter periodically and making it available publicly on the Company's website (Practice 2.1, MCCG 2021) including the Terms of Reference which deals with the respective committee e.g. Remuneration Committee's Terms of Reference in respect of its authority and duties that are disclosed in the Company's website (Practice 7.2, MCCG 2021);
11. Ensuring that there is in place an appropriate corporate disclosure policy and procedure which leverage on information technology for effective dissemination of information, to ensure comprehensive, accurate and timely disclosures; and
12. Ensuring that there is in place an appropriate investor relations and communications policy which encourages shareholders' participation at general meetings and promotes effective and transparent communication and proactive engagements with shareholders (Practice 12.1, MCCG 2021).

Directors must at all times be aware of their additional role as ambassadors of the Group and as such should be guided accordingly.

A Schedule of Matters reserved for collective decision of the Board is provided in **Appendix A**.

## II. BOARD MEMBERSHIP GUIDELINES

### 1. Size of the Board

The number of Directors shall be not less than two (2) and the maximum number shall be ten (10), as set out in the Constitution of the Company. It shall be large enough to ensure a range of knowledge, views and experience and should be a size that encourages effectiveness.

### 2. Composition

The composition of the Board will reflect the duties and responsibilities it is to discharge and perform as representatives of the interests of shareholders. The composition of the Board shall reflect as much as possible or practicable, proportional representation of investments in the Company. In accordance with the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Company must ensure that at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, are Independent Directors. If the number of Directors of the Company is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) must be used.

The Nomination Committee is responsible for overseeing the selection and reviewing, on an annual basis, the appropriate skills, experience, characteristics and diversity required of the Board members, in the context of the needs of the Group with reference to its business.

Upon receipt of the recommendation from the Nomination Committee and/or shareholders of the Company, the Board itself should be responsible for selecting its members pursuant to Clause 86 of the Constitution of the Company and/or in recommending them for election by the shareholders pursuant to Clause 85 of the Constitution of the Company. The Board delegates the screening and evaluation process for potential new Directors and Directors to be nominated for re-election to the Nomination Committee.

Pursuant to the Constitution of the Company, every newly appointed Director shall be subjected to re-election at the immediate Annual General Meeting (“AGM”). Further, one-third (1/3) of the Board shall retire from office and be eligible for re-election at every AGM. All Directors shall retire from office at least once in every three (3) years.

The Board will consider gender, ethnicity, age, cultural background, skills and knowledge diversity, where appropriate for the appointment of Directors to the Board. The Board will also consider the existing board positions held by the potential new Director, including on boards of non-listed companies to evaluate whether the potential Director is ‘over stretched’ in terms of his/her commitments, to meet the demands and expectations of the role (Practice 5.5, MCCG 2021).

A person who is politically active such as a Member of Parliament, State Assemblyman/woman or holds a position at the Supreme Council, or division level in a political party shall not be appointed nor act as a Director on the Board of the Company (Guidance G5.5, MCCG 2021).

3. External Board Appointments

Any Board member is, while holding office, at liberty to accept other board appointments (outside the Group) so long as the appointment is not in conflict with the business of the Company and the Group and does not detrimentally affect the Director’s performance as a Board member. The notification should include an indication of time that will be spent on the new appointment.

4. Board Leadership

The Board shall appoint a Chairperson. The MCCG 2021 recommends that the positions of Chairperson and Chief Executive Officers are held by different individuals (Practice 1.3, MCCG 2021). In addition, the Chairperson of the Board should not be a member of the Audit and Risk Management Committee, Nomination Committee, Remuneration Committee or any other Board Committee (Practice 1.4, MCCG 2021). The position description of the Chairperson and the Managing Director/Chief Executive Officer/Executive Director and Non-Executive Directors/Independent Non-Executive Directors/Senior Independent Non-Executive Director are provided in **Appendices B, C and D** respectively.

The Chairperson is responsible for representing the Board to shareholders. The Chairperson is responsible for ensuring the integrity and effectiveness of the governance process of the Board and maintaining regular dialogue with the Managing Director/Chief Executive Officer/Executive Director over all operational matters and will consult with the Board promptly over any matter that gives him cause for major concern.

The Chairperson will act as facilitator at meetings of the Board to ensure that no Board member, whether executive or non-executive, dominates discussion, that appropriate discussion takes place and that relevant opinion among Board members are forthcoming. The Chairperson will ensure that discussions result in logical and understandable outcomes.

The Board shall also appoint amongst its members a Senior Independent Non-Executive Director to be called Senior Director, to whom concerns from the other Directors, public or investors may be conveyed. Inquiries or complaints about decisions or actions taken by the Group should be addressed to the Senior Director.

#### 5. Induction of New Board Members

The Chairperson should ensure that all Board members, when taking up office, are fully briefed on the terms of their appointment, duties and responsibilities. New Board members will also be briefed on the operations of the Group to increase their understanding of the business and the environment and markets in which the Group operates. The new Board member will be given a copy of the following:

- (i) Board Charter;
- (ii) Directors' Code of Best Practice (**Appendix E**)
- (iii) Board Committees' composition and terms of reference (**Appendices F - H**)
- (iv) Latest annual reports and Audited Financial Statements;
- (v) Organisation chart and particulars on senior management; and
- (vi) Minutes of past three (3) Board of Directors' meetings,

and will meet with key management.

Board members are expected to keep themselves 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.

#### 6. Shareholdings by Board Members in the Company

Board members may hold shares in the Company. When buying or selling shares in the Company, Board members must strictly observe Chapter 14 of the Listing Requirements, the provisions of CA 2016 and the Constitution, the Director's Code of Best Practice and all relevant legislative and regulatory procedures.

### III. **BOARD AND MEMBERS' EVALUATIONS**

The Chairperson keeps under review, informally, the contribution made by Board members. A broad interpretation of contribution is applied, which can be in terms of contribution to meetings of the Board Committee meetings, representing the Company or the Group in public events, developing policies etc. The Nomination Committee is given the task to review annually the membership and effectiveness of the Board and the performance, contribution and independence of individual Board members to ensure that the Board's size, structure and composition meet the needs of the Company.

The Nomination Committee is required to report annually to the Board an assessment of the Board's and its committees' performance. This will be discussed with the full Board. This shall be done following the end of each financial year (or such other time as deemed appropriate).

Every year, the Nomination Committee will evaluate each individual Director's contributions to the effectiveness of the Board, the relevant Board Committees and each individual Director (Practice 6.1, MCCG 2021). The results of such evaluation will be discussed with the committee and/or the Chairperson. The Chairperson's own position is discussed with the Nomination Committee.

#### IV. DIRECTORS' REMUNERATION

The Board will determine the level of remuneration of the non-executive Board members, taking into consideration the recommendations of the Remuneration Committee. Non-executive Board members will be paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover.

Executive Board members will be paid as employees of the Company in accordance with their contracts of employment with the Company. The Remuneration package for executive Board members shall be reviewed by the Remuneration Committee.

#### V. BOARD STRUCTURES AND PROCEDURES

##### 1. Board Committees

The Board may delegate responsibility for specified matters to individual members or committees of the Board. All such committees must be provided with written terms of reference which state clearly the extent and limits of their responsibilities and authority and whether they act on behalf of the Board or report back to the Board.

The present Board Committees are the Audit and Risk Management Committee, Remuneration Committee and Nomination Committee. The respective committees' terms of reference are set out in the following appendices:

- Audit and Risk Management Committee (**Appendix F**)
- Remuneration Committee (**Appendix G**)
- Nomination Committee (**Appendix H**)

##### 2. Board Meetings

The Chairperson should ensure that the Board meets at regular intervals throughout the year. At each scheduled meeting, the Board should consider where applicable:

- an operational report from the Management covering also the financial results;
- proposals for significant capital expenditure and acquisitions;
- proposals for significant disposal of company assets;
- major issues or opportunities for the Group;
- committee minutes/Board Circular Resolutions for notation;
- changes in directorship and disclosure of interest;
- disclosure of dealings by Directors/principal officers;
- material sustainability matters;
- summary of share ownership movement; and
- any other matters requiring its authority.

In addition, the Board shall, at periodic intervals of not more than one (1) year:

- review the Company's and the Group's goals;
- review the strategies for achieving the stated goals;
- approve the operations and sustainability plans and budget;
- consider and, if appropriate, declare or recommend the payment of dividends;
- review the reports and recommendations from the Audit and Risk Management Committee and:
  - o approve the quarterly announcements and annual audited financial statements for issuance to shareholders and the public;
  - o approve the annual report;
  - o approve the appointment of the Group's external auditors;
  - o approve the risk management framework;
  - o approve the composition of the risk management working group;
  - o approve risk assessment and control policies; and
  - o approve sustainability strategies, policies and targets.
- review and endorse recommendations from the Nomination Committee on:
  - o the Board composition, structure and succession;
  - o the performance of, necessity for and composition of Board Committees; and
  - o individual Board member, Board and Board Committees' evaluations.
- review and endorse reports and recommendations from the Remuneration Committee on:
  - o non-executive Board members' remuneration;
  - o the Managing Director/Chief Executive Officer/Executive Director's performance and remuneration; and
  - o the remuneration policies and practices in general.

The Constitution of the Company stipulates the procedures for convening board meetings and the size and required attendance for the Board's quorum.

Board meeting agendas shall be the responsibilities of the Chairperson with input from Board members and the Company Secretary(ies). The Chairperson may also ask management to participate in this process.

The agenda for each meeting shall be circulated at least five (5) working days before each meeting to the Board members and all those who are required to attend the meeting. Written materials including information requested by the Board from management and/or external consultants shall be received together with the agenda for the meetings (Practice 1.6, MCCG 2021).

Information furnished to the Board should not just be historical or bottom line and financial oriented but information that goes beyond assessing the quantitative performance of the Group and looks at other performance measures such as competitors' performance, customers' satisfaction, product and service quality, market share, market reaction, environmental performance and so on when dealing with any item on the agenda.

The Chairperson shall cause minutes to be duly entered in the book provided for the purpose of all resolutions and proceedings of all meetings of the Board. The minutes shall be signed by the Chairperson of the meeting at which the proceedings were held or by the Chairperson of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. Minutes of each meeting shall also be distributed to all members of the Board.

Board members are expected to make every effort to attend Board meetings and prepare thoroughly. Board members are expected to participate fully, frankly and constructively in Board discussions and others activities and to bring the benefit of their particular knowledge, skills and abilities to the Board table.

Board discussions will be open and constructive, recognising that genuinely held differences of opinion can, in such circumstances, bring greater clarity and lead to better decisions. The Chairperson, will nevertheless, seek a consensus in the Board but may, where considered necessary, call for a vote. 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 or regulatory requirements, the Board will decide the manner and timing of the publication of its decisions.

The Managing Director, Chief Executive Officer and Executive members attend Board meetings to discharge their Board responsibilities. At Board meetings, Board responsibilities supersede all executive responsibilities.

3. Provision of Business or Professional Services by Board Members

To avoid a conflict of interest (actual or perceived), Board members should not, generally provide business or professional services of an ongoing nature to the Group.

Notwithstanding the general rule, the Company and/or Group is at liberty to:

- for the purpose of a special assignment, engage the services of any Board member having special expertise in the particular field; or
- engage the services of a firm or company of which the Board member is a partner, director or major shareholder so long as the terms of engagement are competitive, are clearly recorded and all regulatory and legal requirements of the engagement are properly observed.

4. Access to Independent Professional Advice

In discharging Directors' duties, each member of the Board is entitled to obtain independent professional advice at the cost of the Company.

If a Director considers that such advice is necessary, the Director shall first discuss it with the Chairperson and, having done so shall be free to proceed. The Director should provide proper notice to the Company Secretary(ies) of the intention to seek independent advice and shall provide the name(s) of the professional advisors that he/she intends to contact, together with a brief summary of the subject matter for which professional advice is sought. The Company Secretary(ies) shall provide written acknowledgement of acceptance of notification. In the event that one (1) or more Directors seek to appoint one (1) or more advisors, the Chairperson should take steps to facilitate discussions to arrive at a consensus.

Fees for the independent professional advice will be payable by the Company but proper approval of the Chairperson will be required.

For avoidance of doubt, the above restriction shall not apply to Managing Director, Chief Executive Officer and Executive Directors acting in the furtherance of their executive responsibilities and within their delegated powers.

For the purpose of this section, independent professional advice shall include advice sought from legal experts, accountants or other professional advisor and consultants. Independent professional advice shall exclude any advice concerning the personal interests of the Directors (such as with respect to their contracts or disputes with the Group), unless these are matters affecting the Board as a whole.

5. The Company Secretary(ies)

The appointment or removal of Company Secretary(ies) of the Board shall be the prerogative of the Board as a whole. The Company Secretary(ies) appointed should be suitably qualified and competent to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices, in order to help the Board and Board Committees function effectively and in accordance with their terms of reference and best practices (Practice 1.5, MCCG 2021).

The roles and responsibilities of the Company Secretary(ies) include, but are not limited to the following:

- Manage all board and committee meeting logistics, attend and record minutes of all board and committee meetings and facilitate board communications;
- Advise the board on its roles and responsibilities;
- Facilitate the orientation of new directors and assist in director training and development;
- Advise the board on corporate disclosures and compliance with company and securities regulations and listing requirements;
- Manage processes pertaining to the annual shareholder meeting;
- Monitor corporate governance developments and assist the board in applying corporate governance practices to meet the board's needs and stakeholders' expectations; and
- Serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

(Guidance G1.5, MCCG 2021)

All Board members, particularly the Chairperson, have unrestricted access to the advice and services of the Company Secretary(ies) for the purpose of the Board's affairs and the business.

## VI. RELATIONSHIP OF THE BOARD WITH MANAGEMENT

1. Access to Management and Information

Board members have complete access to the Group's management. Board members have unrestricted access to the information pertaining to the Company and/or Group including the Company and/or Group's auditors and consultants.

It is assumed that Board members will use judgement to be sure that this contact is not distracting to the business operation of the Group and that such contact, if in writing, be copied to the Managing Director/Chief Executive Officer/Executive Director and Chairperson.

Furthermore, the Board encourages the management to, from time to time, involves managers in Board meetings who:

- can provide additional insight into the items being discussed because of personal involvement in these areas; and/or
- represent managers with future potential that the management believes should be given exposure to the Board.

2. Position of the Managing Director/Chief Executive Officer/Executive Director

The Board will link the Company's governance and management functions through the Managing Director/Chief Executive Officer/Executive Director. All Board authority conferred on management is delegated through the Managing Director/Chief Executive Officer/Executive Director so that the authority and accountability of management is considered to be the authority and accountability of the Managing Director/Chief Executive Officer/Executive Director so far as the Board is concerned. The Board shall regularly review the division of responsibilities to ensure that the needs of the Company are consistently met.

The Board, through the Remuneration Committee, will agree with the Managing Director/Chief Executive Officer/Executive Director to achieve specific results directed towards the Company's and/or the Group's goals.

Between Board meetings, the Chairperson maintains an informal link between the Board and the Managing Director/Chief Executive Officer/Executive Director, and expects to be kept informed by the Managing Director/Chief Executive Officer/Executive Director of all important matters, and is available to the Managing Director/Chief Executive Officer/Executive Director to provide counsel and advice where appropriate.

Only decisions of the Board acting as a body are binding on the Managing Director/Chief Executive Officer/Executive Director. Decisions or instructions of individual Board members, officers or committees are not binding except in those instances where specific authorisation is given by the Board.

3. Accountability of the Managing Director/Chief Executive Officer/Executive Director to the Board

The Managing Director/Chief Executive Officer/Executive Director is accountable to the Board for the achievement of the Company's goals and for the observance of the management authorities.

At each normal Board meeting, the Board should expect to receive from or through the Managing Director/Chief Executive Officer/Executive Director:

- the operational and other reports and proposals referred to under the section on Board Meetings and Appendix A: Schedule of Matters Reserved for Collective Decision of the Board; and
- such assurance as the Board considers necessary to confirm that the management authorities are being observed.

4. Management Authorities

The Managing Director/Chief Executive Officer/Executive Director is expected to act within all specific authorities delegated to him/her by the Board.

The Managing Director/Chief Executive Officer/Executive Director is expected to not cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics. In allocating the capital and resources of the Company and/or Group, the Managing Director/Chief Executive Officer/Executive Director is expected to adhere to the Company's and/or Group's goals. He/She is expected to not cause or permit any action without taking into account the health, safety, environmental, social, economic and political consequences and their effect on long-term shareholders' value.

The assets of the Group are expected to be adequately maintained and protected, and not unnecessarily placed at risk. In managing the risks of the Group, the Managing Director/Chief Executive Officer/Executive Director is expected to not cause or permit anyone to substitute their own risk preference for those of the shareholders as a whole.

The Managing Director/Chief Executive Officer/Executive Director is expected to not permit employees and other parties working for the Group to be subjected to treatment or conditions that are undignified, inequitable, unfair or unsafe.

5. Leadership Development

There should be an annual report by the Managing Director/Chief Executive Officer/Executive Director to the Nomination Committee on succession planning. There should be available, on a continuing basis, the Managing Director/Chief Executive Officer/Executive Director's recommendations as to a successor should he be unexpectedly disabled.

There should be an annual report by the Managing Director/Chief Executive Officer/Executive Director on the Company's and/or Group's management development. This report should be given to the Nomination Committee at the same time as the succession planning report noted previously.

**VII. RELATIONSHIP BETWEEN THE BOARD AND SHAREHOLDERS, INSTITUTIONAL INVESTORS, PRESS, CUSTOMERS, ETC.**

The Board will use its best endeavours to familiarise itself with issues of concern to shareholders and will make its recommendation on carrying electronic polling at the Company's Annual or Extraordinary General Meetings.

The Board believes that management speaks for the Group. Individual Board members may, from time to time at the request of the management, meet or otherwise communicate with various constituencies that are involved with the Group. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairperson/Managing Director/Chief Executive Officer.

**VIII. INDEMNIFICATION AND DIRECTORS' & OFFICERS' INSURANCE**

In the course of discharging Directors' duties, the Directors may be exposed to certain wrongful acts such as error, misstatement, misleading statement, omission, neglect or breach of duty committed or attempted or allegedly made in the course of duties. To the extent allowed by law, the Company will provide Board members and will pay the premiums for such indemnity and insurance cover while acting in their capacities as Directors. Provided always that such wrongful acts occur in good faith and not as a result of dishonesty, fraud, insider trading, malicious conduct, fines, penalties, liabilities arising from intentional breach of contract and liquidated, punitive or exemplary damages.

**IX. ABSENCE OF THE MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER/EXECUTIVE DIRECTOR**

In the event that the Company does not have a Managing Director/Chief Executive Officer/Executive Director in office, during the period of such absence, all the provisions of this Charter (including the Appendices) that apply to the Managing Director/Chief Executive Officer/Executive Director shall apply to such other person appointed by the Board to have overall charge of the Company, unless the Board or a Board Committee decides otherwise that certain provisions are not to apply or are to apply with modification. The Board and Board Committees may also put in place additional rules and guidelines pertaining to this person's role.

This Section IX shall cease to apply upon the appointment of the Managing Director/Chief Executive Officer/Executive Director.

**APPENDIX A****SCHEDULE OF MATTERS RESERVED  
FOR COLLECTIVE DECISION OF THE BOARD**

The authorities of the Board are specified below. The authorities may be varied from time to time as determined unanimously by the Board.

Conduct of Board

- Appointment and removal of Directors based on recommendations of the Nomination Committee.
- Appointment and removal of Company Secretaries.
- Appointment of Board Committees and members (based on the recommendations of the Nomination Committee).
- Approval of terms of references of Board Committees and amendments to such terms.
- Appointment of senior executive positions, including that of the Managing Director/Chief Executive Officer/Executive Director and his/her duties and the continuation (or not) of their service.

Remuneration

- Approval of the remuneration arrangements for Non-Executive Directors.
- Approval of the remuneration structure and policy for the Managing Director/Chief Executive Officer/Executive Director and where appropriate, key executives based upon recommendations of the Remuneration Committee.
- Approval of remuneration packages for the Managing Director/Chief Executive Officer/Executive Director and where appropriate, senior executives based upon recommendations of the Remuneration Committee.
- Approval of any proposed new share issuance scheme, share grant scheme and/or amendments to the existing scheme, subject to other approvals that may be required by law or regulations.

Operational

- Approval of business strategy and Group operational plan and budget.
- Approval of sustainability strategies, priorities and targets (Practice 4.1, MCCG 2021).
- Ongoing review of performance against business and sustainability strategies and targets and Group operational/business plans, including identifying, managing and monitoring management of key risks and material economic, environmental and social risks while ensuring climate-related risks and opportunities are integrated into this process along with the approval of relevant policies.
- Approval of annual capital expenditure budget and any single capital expenditure item exceeding RM5.0 million or as may be determined from time to time.
- Approval of investment or divestment of a capital project which represents a significant diversification from the existing business activities.

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- Approval of changes in the major activities of the Company or the Group.
- Approval of treasury policies and bank mandate.
- Setting or variation of the authority level of the Managing Director/Chief Executive Officer/Executive Director.

**Financial**

- Approval of interim and annual financial statements after taking into consideration the recommendations of the Audit and Risk Management Committee.
- Approval for the release of financial announcements.
- Approval of the Annual Directors' Report and Statutory Accounts.
- Approval of interim dividends, the recommendation of final dividends and the making of any other distribution.
- Adoption of accounting policies after taking into consideration the recommendations of the Audit and Risk Management Committee.
- Approval of corporate policies and procedures after review by the Managing Director/Chief Executive Officer/Executive Director and senior executive(s) where appropriate.
- Review the effectiveness of the Group's system of internal control. This function is delegated to the Audit and Risk Management Committee which will in turn report to the Board on its findings.

**Other Matters to consider including:**

- The granting of powers of attorney by the Company.
- The entering into of any indemnities or guarantees.
- Recommendations for the alteration of the Constitution of the Company.
- Alteration of the accounting reference date, registered office and name of the Company.
- Purchase and disposal of own shares by the Company. Issue of any debt instruments.
- Substantial charitable or other contributions.
- Scheme of reconstruction or restructuring.
- Any other significant business decision.
- Any other matter requiring the convening of a general meeting of shareholders or any class of shareholders.

**APPENDIX B****POSITION DESCRIPTION OF THE CHAIRPERSON**

The responsibilities of the Chairperson include:

1. Providing leadership for the Board so that the Board can perform its responsibilities effectively;
2. Chairing meetings of the Board in such a manner that will stimulate discussion or debate on among others, strategic, sustainability, governance and operational issues tabled at the Board meeting and encourage active participation and effective contribution from each Board member and allow dissenting views to be freely expressed;
3. Chairing meetings of shareholders;
4. Establishing procedures to govern the Board's work;
5. Leading the Board in the adoption and implementation of good corporate governance practices in the Company;
6. Scheduling meetings of the full Board;
7. Setting the agenda for regular or special Board meetings based on input from other Directors and the Company Secretary(ies);
8. Ensuring proper flow of complete and accurate information to the Board in a timely manner, of management's proposal and review of performance of the Company and/or the Group;
9. Ensuring adequate lead time for effective study and discussion of business under consideration;
10. Identifying guidelines for the conduct of Directors, and ensuring that each Director is actively participating and making effective contribution. The Chairperson keeps under review, informally, the contributions made by Board members;
11. Acting as liaison and managing the interface between the Board and management. The Chairperson should act as the main informal link between the Board and management and particularly, between the Board and the Managing Director/Chief Executive Officer/Executive Director;
12. Ensuring that all Board members, when taking up office, are fully briefed on the terms of their appointment, duties and responsibilities and the business of the Group;
13. Ensuring appropriate steps are taken to provide effective communication with external groups such as shareholders, creditors, consumer groups, local communities and federal, state, and local governments, and that their views are communicated to the Board as a whole;

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14. In conjunction with the Managing Director/Chief Executive Officer/Executive Director, playing a leading role in:
  - formulating the Board's strategic direction and planning process;
  - encouraging high standards of propriety and promoting efficient and effective use of staff and other resources throughout the organisation; and
  - fostering high corporate ethical standards and positive relationships with the Company's stakeholders;
15. Working with the Nomination Committee, to actively participate in the selection of Board members and ensuring the membership is properly balanced;
16. Working with the Nomination Committee, in ensuring proper committee structure, including assignments of members and committee chairmen. The Chairperson should also ensure that a formal succession plan for the Board is in place; and
17. Carrying out other duties as requested by the Board as a whole, depending on the needs and circumstances.

**APPENDIX C****POSITION DESCRIPTION OF THE  
MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER/EXECUTIVE DIRECTOR**

The Managing Director/Chief Executive Officer/Executive Director is accountable to the Board for the overall organisation, management, and staffing of the Company and/or the Group and for the procedures in financial and other matters, including conduct and discipline. This includes promoting by leadership and example. The Managing Director/Chief Executive Officer/Executive Director's authority is explicitly provided for in the Limits of Authority. Board members should support the Managing Director/Chief Executive Officer/Executive Director in undertaking this responsibility.

The role of the Managing Director/Chief Executive Officer/Executive Director can be summarised as follows:

1. Leads in conjunction with the Board, the development of strategies and visions for the Company and/or the Group that delivers durable and sustainable value as well as maintain the confidence of its stakeholders (Guidance G4.1, MCCG 2021);
2. Leads and oversees the implementation of the Company's long-term and short-term plans in accordance with its strategies;
3. Develops and recommends to the Board the operational and sustainability plans, targets and budgets that support the Company's and/or the Group's strategies;
4. Formulates and oversees the successful implementation of major corporate policies;
5. Fosters a corporate culture that promotes ethical practices, encourages individual integrity, and fulfil sustainability responsibilities;
6. Maintains a positive and ethical work climate that is conducive to attracting, retaining, and motivating a diverse group of top-quality employees at all levels;
7. Ensures that the Company has an active plan for the development of an effective management team and succession. Reports to the Nomination Committee annually on the succession and management development plan;
8. Ensures the Company maintains high standards of corporate citizenship and social responsibility wherever it does business;
9. Manages the overall business and oversees the day-to-day operations of the Company;
10. Ensures continuous improvement in the quality and value of the products and services provided by the Group;
11. Ensures that the Company achieves and maintains a satisfactory competitive positions within its industry;
12. Accountable to the Board for the propriety and regularity of the finances;

**APPENDIX C**

13. Ensures an efficient communication with the Chairperson of the Board and the Directors such that they are informed of all relevant information which may have a material effect on the Corporation, its resources, its capital, its employees and its shareholders;
14. Reports to the Board on key performance indicators in relation to the financial results, sustainability targets, market conditions and other developments;
15. Puts in place adequate operational planning and financial control systems;
16. Assesses the principal risks of the Company and to ensure that these risks are being monitored and managed;
17. Ensures effective internal controls and management information systems are in place;
18. Ensures that the Company has appropriate systems to enable it to conduct its activities both lawfully and ethically;
19. Reports to the Remuneration Committee on the results of employee's union negotiation, if any;
20. Communicates effectively with shareholders, employees, Government authorities, other stakeholders and the public.

**APPENDIX D****POSITION DESCRIPTION OF THE :  
(I) NON-EXECUTIVE DIRECTORS**

The roles of the Non-Executive Directors can be summarised as follows:

1. Act as a bridge between management and stakeholders, particularly shareholders. They could provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.
2. For the Board to create an environment that allows the expression of disagreement when discussing strategic issues.
3. Bring dispassionate objectivity that a Director with a relationship with the Company cannot provide.

**(II) INDEPENDENT NON-EXECUTIVE DIRECTORS**

Independent Directors are essential for protecting the interests of minority shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality. Since an Independent Director has no conflict of interests in the discharge of his duties, he ought to approach any approval that is being sought at Board level for a transaction or any matter with a watchful eye and with an inquiring mind.

Paragraph 1.01 of the Listing Requirements provides that an Independent Director is one who is independent of management and free from any business or other relationship that could interfere with the exercise of independent judgment or the ability to act in the best interests of a listed company.

The Independent Director of the Company must be a person who:

- is not an Executive Director of the Company or any related corporation of the Company;
- is not and has not been within the last three (3) years, an officer (except as an Independent Director) of the Company;
- is not a major shareholder of the Company;
- is not a relative of any Executive Director, officer or major shareholder of the Company;
- is not acting as a nominee or representative of any Executive Director or major shareholder of the Company;
- has not been engaged as a professional adviser by the Company under such circumstances as prescribed by Bursa Securities or is not presently a partner, director (except as an independent director) or a major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the Company under such circumstances as prescribed by Bursa Securities; or

**APPENDIX D**

- has not engaged in any transaction with the Company under such circumstances as prescribed by Bursa Securities or is not presently a partner, director or a major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has been engaged in any transaction with the Company under such circumstances as prescribed by Bursa Securities.

The tenure of an Independent Director shall not exceed nine (9) years cumulatively. After nine (9) years, such Independent Director may continue to serve on the board subject to the Board approving his re-designation as a Non-Independent Director.

**(III) SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR**

The roles of the Senior Independent Non-Executive Director called Senior Director can be summarised as follows:

1. Acts as a sounding board to the Chairperson (e.g. offer counsel to the Chairperson on matters such as board dynamics and concerns of stakeholders).
2. Serves as an intermediary for other Directors when necessary (e.g. facilitate confidential discussions with Directors who may have concerns which they believe have not been properly considered by the Board or which they feel may not be appropriate to raise in open forum or with the Chairperson directly).
3. Acts as point of contact for shareholders and other stakeholders particularly on concerns which cannot be resolved through the normal channels of the Chairperson and/or Managing Director/Chief Executive Officer/Executive Director.
4. Provides leadership support and advice to the Board in the event the Board is undergoing a period of stress (e.g. conflict between the Chairman and Managing Director/Chief Executive Officer/Executive Director or the strategy being followed by the Chairman and/or executive officer is not supported by the Board).
5. Leads the succession planning and appointment of Board members, including the future Chairperson and Managing Director/Chief Executive Officer/Executive Director; and
6. Leads the annual review of Board effectiveness, ensuring that the performance of each individual Director is assessed objectively and holistically (i.e. the views of all the Directors are obtained in an impartial manner).

**Appendix E****DIRECTORS' CODE OF BEST PRACTICE**

Board members are required to observe the Directors' Code of Best Practice as follows:

1. Compliance at all times with the CA 2016, securities legislation, the Listing Requirements, this Code of Best Practice and the Board Charter.
2. Observe high standards of corporate governance at all times.
3. Adhere to the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
4. Act in good faith and in the best interests of the Company and Group.
5. Not misuse information gained in the course of duties for personal gain or for political purposes, nor seeks to use the opportunity of the service as Directors to promote their private interests or those of connected persons, firms, businesses or other organisations.
6. 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.
7. Devote sufficient time to prepare for and attend Board and Board Committee meetings and attend Directors' continuous training programme and briefing.
8. Attend at least fifty percent of the Board meetings held in each financial year.
9. Keep abreast of his/her responsibilities as a Director and of the conduct, business, activities and development of the Group.
10. Not accept positions on Board Committees or working groups where a conflict of interest is likely to arise, without first declaring that interest.
11. Declare any personal, professional or business interests that may conflict with Directors' responsibilities. Guidance on declaration and registration of interests is given in the section entitled "Declaration of Interests" below.

**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(ies) changes in the following:

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

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In addition to the above, member of the Board who has a material interest, either directly or through a partner, spouse or close relative, in matters being considered by, or likely to be considered by the Board should declare that interest. 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:

1. 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.
2. Ownership or part-ownership of, or employment by, businesses or consultancies likely or possibly seeking to do business 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.

The register should be kept up to date through an annual survey of members' interests, carried out by the Company Secretary(ies).

### 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 is likely to arise, without first declaring that interest.

## APPENDIX F

**TERMS OF REFERENCE OF  
AUDIT AND RISK MANAGEMENT COMMITTEE**

- 1. Composition of members**
- 1.1 The Board shall appoint the Audit and Risk Management Committee (“**ARM Committee**”) members from amongst its Directors based on the recommendation of the Nomination Committee. The ARM Committee must be composed of no less than three (3) members, all of whom must be Non-Executive Independent Directors.
- 1.2 The appointment of an ARM Committee member terminates when the said member ceases to be a Director or as determined by the Board.
- 1.3 All members of the ARM Committee shall be financially literate and at least one (1) member of the ARM Committee must be:
  - a) a member of the Malaysian Institute of Accountant (“**MIA**”); or
  - b) if he is not a member of MIA, he must have at least three (3) years of working experience; and
    - i) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
    - ii) he must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967 or
  - c) fulfills such other requirements as prescribed or approved by Bursa Securities.
- 1.4 The following persons shall not be appointed as a member of the ARM Committee:
  - a) Chairperson of the Board (Practice 9.1, MCCG 2021);
  - b) Alternate Director of the Board; and
  - c) Any former partner of the external audit firm of the Company (including all former partners of the external audit firm and/or the affiliate firm that provides advisory services, tax consulting, etc.) who has not observed a cooling-off period of at least three (3) years before being appointed as a member of the ARM Committee (Practice 9.3, MCCG 2021).
- 1.5 The term of office and performance of the ARM Committee and each of its members shall be reviewed by the Board through the Nomination Committee annually to determine whether the ARM Committee and its members have carried out their duties in accordance with their terms of reference.
- 1.6 If a member of the ARM Committee resigns, dies, or for any reason ceases to be a member resulting in non-compliance to the composition criteria as stated in paragraph (1) above, the Board shall within three (3) months of the event appoint such number of the new members as may be required to fill the vacancy.
- 2. Chairperson**
- 2.1 The Chairperson of the ARM Committee shall be appointed by the Board on the recommendation of the Nomination Committee. The Chairperson shall be a Non-Executive Independent Director and who is not the Chairperson of the Board.

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**APPENDIX F****3. Secretary(ies)**

- 3.1 The Company Secretary(ies) shall be the Secretary(ies) of the ARM Committee and as a reporting procedure, the Minutes of the ARM Committee shall be circulated to all members of the Board.

**4. Meetings**

- 4.1 The ARM Committee shall meet at least four (4) times annually, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairperson may call for additional meetings at any time at the Chairperson's discretion.
- 4.2 Upon the request of the external auditors, the Chairperson of the ARM Committee shall convene a meeting of the ARM Committee to consider any matter the external auditors believe should be brought to the attention of the Directors or shareholders.
- 4.3 The Company Secretary(ies) shall issue and circulate the Notice of the ARM Committee meetings at least five (5) working days before each meeting to all the ARM Committee members and all those who are required to attend the meetings, unless the Committee waives such requirement.
- 4.4 Attendance at a meeting may be by being present in person or by participating in the meeting via video or telephone conferencing.
- 4.5 The Chairperson of the ARM Committee shall engage on a continuous basis with senior management such as the Chairperson, the Managing Director, the Chief Executive Officer, the Executive Directors, Director Finance, the internal auditors and the external auditors in order to be kept informed of matters affecting the Company.
- 4.6 Other Board members and employees may attend meetings upon the invitation of the ARM Committee. However, the ARM Committee shall meet with the external auditors without executive Board members or employees present at least twice a year and whenever necessary.
- 4.7 The external auditors have the right to appear and be heard at any meeting of the ARM Committee and shall appear before the ARM Committee when required to do so by the ARM Committee.
- 4.8 The internal auditors shall be in attendance at meetings of the ARM Committee to present and discuss the audit reports of findings and the recommendations relating thereto and to follow up on decisions made at these meetings.
- 4.9 Questions arising at any meeting of the ARM Committee shall be decided by a simple majority vote, each member present having one (1) vote. In the case of equality of votes, the Chairperson of the ARM Committee shall have a second or casting vote (except where two (2) members form the quorum).
- 4.10 A member is required to abstain from deliberation and voting in respect of any matter which may give rise to an actual conflict of interest situation.

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4.11 The ARM Committee may deal with matters by way of a circular resolution in writing, in lieu of convening a formal meeting. The circular resolution shall be as valid and effectual as if it has been passed by a meeting of the ARM Committee duly convened. Approval of the ARM Committee obtained by way of circular resolution must be signed and approved by all its members.

**5. Minutes**

5.1 Minutes of each meeting shall be kept at the registered office of the Company and distributed to each member of the ARM Committee and also to the other members of the Board. The ARM Committee Chairperson shall report on each meeting to the Board.

5.2 The minutes of the ARM Committee meeting shall be signed by the Chairperson of the meeting at which the proceedings were held or by the Chairperson of the next succeeding meeting.

**6. Quorum**

6.1 The quorum for the ARM Committee meeting shall be two (2) members. In the absence of the Chairperson of the ARM Committee, the other members of the ARM Committee present shall, amongst themselves, elect a Chairperson who must be an Independent Director and not the Chairperson of the Board, to chair the meeting.

**7. Objectives**

7.1 The principal objectives of the ARM Committee are to assist the Board in:

- (a) discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries;
- (b) establishing a formal and transparent arrangement for maintaining an appropriate relationship with the Company's auditors;
- (c) evaluating the quality of the audits performed by the internal auditors and external auditors;
- (d) providing assurance that the financial information presented by the management is relevant, balanced, reliable and timely;
- (e) overseeing compliance with laws and regulations and observance of a proper code of conduct;
- (f) determining the quality, adequacy and effectiveness of the Group's control environment;
- (g) identifying, evaluating, monitoring and managing the Group's risk management strategy, processes and principal risks to ensure that the Group establishes and maintains a sound system of risk management and internal controls to safeguard shareholders' investment and the Group's assets; and

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- (h) providing assistance to the Board to meet its oversight responsibilities in relation to the Company's sustainability policies and practices.

**8. Authority**

8.1 The ARM Committee shall, in accordance with a procedure to be determined by the Board and at the expense of the Company:

- (a) have explicit authority to investigate any matter within its terms of reference, the resources to do so, and full and unlimited/unrestricted access to all information, documents and resources which are required to perform its duties as well as to the senior management and employees of the Group. All employees shall be directed to co-operate as requested by members of the ARM Committee.
- (b) obtain external legal or independent professional or other advice, and to invite outsiders with relevant experience to attend, if necessary.
- (c) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any).
- (d) have authority to instruct the Risk Management Working Group ("RMWG") to perform duties as are necessary to support the ARM Committee in discharging its duties.

8.2 The ARM Committee is not authorised to implement its recommendations on behalf of the Board but shall make recommendations to the Board for its consideration, approval and implementation.

8.3 Where the ARM Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities, the ARM Committee shall promptly report such matter to Bursa Securities.

**9. Duties and responsibilities**

9.1 The duties and responsibilities of the ARM Committee are as follows:

**External Audit**

- (a) To nominate and recommend to the Board, the appointment of the external auditors having regard to the adequacy of the experience, resources, audit fee and independence of the external auditors;
- (b) To discuss with the external auditors before the audit commences, the nature, scope and plan of the audit, and ensure co-ordination where more than one (1) audit firm is involved;
- (c) To review with the external auditors their evaluation of the system of internal controls and their audit report;

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- (d) To review the assistance given by the employees of the Group to the external auditors;
- (e) To discuss problems and reservations, if any, arising from the interim and final audits, and any matter which the external auditors wish to discuss in the absence of the management, where necessary;
- (f) To discuss and review the external auditors' management letter and management response, if any;
- (g) To assess and consider the performance, suitability and independence of the external auditors annually. The assessment is to be based on established policies and procedures that consider, among others:
- the competence, audit quality and resource capacity of the external auditors in relation to the audit;
  - the ability of the external auditors to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
  - the appropriateness of audit fees to support a quality audit;
  - the nature and extent of the non-audit services provided by the external auditors and appropriateness of the level of fees paid for such services relative to the audit fee; and
  - obtaining written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.
- (h) To review any letter of resignation from the external auditors and report the same to the Board.

**Financial Reporting**

- (a) To review in depth the quarterly and year-end financial statements, focusing particularly on:-
- any change in and implementation of major accounting policies and practices;
  - significant adjustments arising from the audit;
  - the going concern assumption; and
  - compliance with accounting standards and other statutory requirements;

to ensure a true and fair view of the financial position and performance of the Group and of the Company is presented after taking into consideration any accounting issue arising in respect of the Group and of the Company's affairs, and recommending the quarterly and year-end financial statements to the Board for its approval;

**APPENDIX F**

- (b) To assess the appropriateness of the management's selection of accounting policies and disclosures in compliance with approved accounting standards;
- (c) To ensure timely submission of financial statements by the management;
- (d) To review significant or unusual transactions and accounting estimates; and
- (e) To review with the Group's counsels, any legal matters that could have a significant impact on the Group's financial statements.

**Internal Audit**

- (a) To do the following, in relation to the internal audit function:-
  - review the adequacy of the scope, functions, resources, budget and competency of the internal audit function, and that it has the necessary authority to carry out its work;
  - ensure the internal audit function is independent of the activities it audits and the internal auditors report directly to the ARM Committee;
  - review the internal audit programme, processes, the results of the internal audit programme and processes, and whether or not appropriate actions are taken on the recommendations of the internal audit function;
  - review the assistance and co-operation given by the employees of the Group to the internal auditors;
  - review any appraisal or assessment of the performance of the internal auditors;
  - approve any appointment or termination of the internal auditors; and
  - take cognizance of the resignation of the internal auditors and its reasons for resigning.
- (b) To discuss and review the major findings of internal investigations and the management's response; and
- (c) To verify the allocation of employees' share option scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any.

**APPENDIX F****Risk Management**

- (a) To provide oversight, direction and counsel to the Group's risk management process which includes the following:
  - (i) recommend for the Board's approval, the establishment of the Group's risk management framework, policies, strategies, and any proposed changes thereto arising from any review;
  - (ii) To conduct an annual review and periodic testing of the Group's risk management framework to ascertain its adequacy and effectiveness, and assess the resources and knowledge of the management and employees involved in the risk management process;
  - (iii) To monitor the Group's and Department's level of risk exposures and management of the significant financial and non-financial risks identified;
  - (iv) To review and recommend the Group's level of risk tolerance and actively identify, assess and monitor key business risks to safeguard shareholders' investments and the Group's assets;
  - (v) To review the Group's risk profile and ensure that significant risks that are outside tolerable ranges are being responded with appropriate actions taken in a timely manner;
  - (vi) To evaluate new risks identified by the RMWG including the likelihood of the emerging risks happening in the future and consider the need to put in place the appropriate controls;
  - (vii) To review the status of the implementation of management action plans in mitigating significant risks identified;
- (b) To establish and periodically review the Group's risk management guidelines and policies and ensure implementation of the objectives outlined in the policies and compliance with them;
- (c) To evaluate the effectiveness of the RMWG's structure, risk management processes and support system to identify, assess, monitor and manage the Group's key risks; and
- (d) To review the Statement on Risk Management and Internal Control in the Group's annual report to ensure that relevant information as prescribed in the Listing Requirements of Bursa Securities are disclosed. Disclosure in the annual report should include a discussion on how key risk areas such as finance, operations, regulatory compliance, reputation, cyber security and sustainability were evaluated and the controls in place for the Group to mitigate and manage those risks.

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**APPENDIX F****Related Party Transaction and Conflict of Interest**

- (a) To review and report to the Board any related party transactions and conflict of interest situation that arose, persists or may arise within the Company or the 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.

**Sustainability**

- (a) To review the strategies, policies, management initiatives, targets and performance of the Group as appropriate, in the following areas to ensure the Company's business is conducted in a responsible manner:
- Health and safety
  - Environment (including climate-related risks and opportunities)
  - Community Relations
  - Data Security
  - Governance

**Relationships and Communication with Board, Auditors and Management**

- (a) To report its findings on the financial and management performance, risk assessment results and other material matters to the Board;
- (b) To perform other oversight functions as requested by the Board; and
- (c) To consider and examine such other matters as the ARM Committee considers appropriate.

**10. Revision of the Terms of Reference**

- 10.1 Any revision or amendment to the Terms of Reference, as proposed by the ARM Committee or the Nomination Committee or any third party, shall be presented to the Board for its approval.
- 10.2 Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

**APPENDIX G****TERMS OF REFERENCE OF  
REMUNERATION COMMITTEE****1. Composition of members**

- 1.1 The Board shall appoint the Remuneration Committee members from amongst its Directors based on the recommendation of the Nomination Committee. The Remuneration Committee must be composed of no less than three (3) members, all of whom must be Non-Executive Directors, with a majority of them being Independent Directors.
- 1.2 The appointment of a Remuneration Committee member terminates when the said member ceases to be a Director or as determined by the Board. Members of the Remuneration Committee may relinquish their membership in the Remuneration Committee with prior written notice to the Secretary(ies) and may continue to serve as Directors of the Company.
- 1.3 The Chairperson of the Board shall not be appointed as a member of the Remuneration Committee (Practice 1.4, MCG 2021).
- 1.4 Where the members of the Remuneration Committee for any reason are reduced to less than three (3), the Board shall within three (3) months of the event, appoint such number of new members as may be required to fill the vacancy.

**2. Chairperson**

- 2.1 The Chairperson of the Remuneration Committee shall be appointed by the Board on the recommendation of the Nomination Committee. The Chairperson shall be an Independent Non-Executive Director.

**3. Secretary(ies)**

- 3.1 The Company Secretary(ies) shall be the Secretary(ies) of the Remuneration Committee.

**4. Meetings**

- 4.1 The Remuneration Committee shall meet as the need arises, provided that the Remuneration Committee shall meet at least once a year.
- 4.2 The Chairperson of the Remuneration Committee, or the Secretary(ies) on the requisition of the members, shall at any time summon a meeting of the members by giving five (5) days' notice unless the Remuneration Committee waives such requirement. The agendas for the meeting shall be the responsibility of the Remuneration Committee Chairperson with input from the members.
- 4.3 Attendance at a meeting may be by being present in person or by participating in the meeting via video or telephone conferencing.
- 4.4 The Remuneration Committee may at their discretion and as and when the need arises, invite other Directors/key executives/persons to attend the meeting of the Remuneration Committee, to carry out the Remuneration Committee's responsibilities.

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- 4.5 Questions arising at any meeting of the Remuneration Committee shall be decided by a simple majority vote, each member present having one (1) vote. In the case of equality of votes, the Chairperson of the Remuneration Committee shall have a second or casting vote (except where two (2) members form the quorum).
- 4.6 The interested Director shall excuse himself/herself from the meeting and shall abstain from the deliberation and voting in respect of his/her own remuneration at the Remuneration Committee level and Board level. However, he/she may attend the Remuneration Committee meetings on the invitation of the Chairperson of the Remuneration Committee if his/her presence is required.
- 4.7 The Remuneration Committee may deal with matters by way of a circular resolution in writing, in lieu of convening a formal meeting. The circular resolution shall be as valid and effectual as if it has been passed by a meeting of the Remuneration Committee duly convened. Approval of the Remuneration Committee obtained by way of circular resolution must be signed and approved by all its members.
- 4.8 All recommendations and findings of the Committee shall be submitted to the Board for approval. Upon such approval, the Secretary(ies) shall distribute to each member a copy of the said approval.
- 5. Minutes**
- 5.1 Minutes of each meeting shall be kept at the registered office of the Company under the custodian of the Company Secretary(ies). The Minutes shall be opened for the inspection of the Board, external auditors, internal auditors, management and other persons deemed appropriate by the Company Secretary(ies).
- 5.2 The minutes of the Remuneration Committee meeting shall be signed by the Chairperson of the meeting at which the proceedings were held or by the Chairperson of the next succeeding meeting.
- 6. Quorum**
- 6.1 The quorum for the meeting of the Remuneration Committee shall be two (2) members. In the absence of the Chairperson of the Remuneration Committee, the other members of the Remuneration Committee present shall, amongst themselves, elect a Chairperson who must be an Independent Director, to chair the meeting.
- 7. Authority**
- 7.1 The Remuneration Committee is not authorised to implement its recommendations on behalf of the Board but shall make recommendations to the Board for its consideration, approval and implementation.
- 7.2 In carrying out its duties and responsibilities, the Remuneration Committee shall have the following powers:
- (i) full, free and unlimited/unrestricted access to any information, records, properties and personnel;

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**APPENDIX G**

- (ii) to obtain external legal or independent professional or other advice and expertise necessary for the performance of its duties; and
- (iii) all members shall have access to the advice and services of the Company Secretary(ies).

**8. Duties and responsibilities**

8.1 Remuneration and benefits payable to Non-Executive Directors are proposed by the Board and are subject to shareholders' approval at the AGM of the Company.

8.2 The duties and responsibilities of the Remuneration Committee are as follows:-

- (a) To ensure formal and transparent remuneration policies and procedures to attract and retain Directors;
- (b) To recommend the policy and framework for the Non-Executive Directors' remuneration and ensure that they are reflective of the Group's demands, complexities and performance as a whole as well as skills and experience required;
- (c) Designs and implements an evaluation procedure for Non-Executive Directors;
- (d) To review the individual remuneration packages of the Non-Executive Directors, and to make the appropriate recommendations to the Board. The remuneration of the Non-Executive Directors shall commensurate with the level of responsibilities undertaken by them with reference to the level of remuneration accorded by companies or industry in line with overall performance of the Group.

8.3 To consider other matters as referred to the Remuneration Committee by the Board.

**9. Revision of the Terms of Reference**

9.1 Any revision or amendment to the Terms of Reference, as proposed by the Remuneration Committee or any third party, shall be presented to the Board for its approval.

9.2 Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

**APPENDIX H****TERMS OF REFERENCE OF  
NOMINATION COMMITTEE****1. Composition of members**

- 1.1 The Board shall appoint the Nomination Committee members from amongst its Directors. The Nomination Committee must be composed of no less than three (3) members, all of whom must be Non-Executive Directors, with a majority of them being Independent Directors.
- 1.2 The appointment of a Nomination Committee member terminates when the said member ceases to be a Director or as determined by the Board. Members of the Nomination Committee may relinquish their membership in the Nomination Committee with prior written notice to the Secretary(ies) and may continue to serve as Directors of the Company.
- 1.3 The Chairperson of the Board shall not be appointed as a member of the Nomination Committee (Practice 1.4, MCCG 2021).
- 1.4 Where the members of the Nomination Committee for any reason are reduced to less than three (3), the Board shall within three (3) months of the event, appoint such number of new members as may be required to fill the vacancy.

**2. Chairperson**

- 2.1 The members of the Nomination Committee shall elect a Chairperson amongst themselves who is an Independent Director or the Senior Independent Director identified by the Board.

**3. Secretary(ies)**

- 3.1 The Company Secretary(ies) shall be the Secretary(ies) of the Nomination Committee.

**4. Meetings**

- 4.1 The Nomination Committee shall meet as the need arises, provided that the Nomination Committee shall meet at least once a year.
- 4.2 The Chairperson of the Nomination Committee, or the Secretary(ies) on the requisition of the members, shall at any time summon a meeting of the members by giving five (5) days' notice unless the Nomination Committee waives such requirement. The agendas for the meeting shall be the responsibility of the Nomination Committee Chairperson with input from the members.
- 4.3 Attendance at a meeting may be by being present in person or by participating in the meeting via video or telephone conferencing.
- 4.4 The Nomination Committee may at their discretion and as and when the need arises, invite other Directors/key executives/persons to attend the meeting of the Nomination Committee, to carry out the Nomination Committee's responsibilities.
- 4.5 Questions arising at any meeting of the Nomination Committee shall be decided by a simple majority vote, each member present having one (1) vote. In the case of equality of votes, the Chairperson of the Nomination Committee shall have a second or casting vote (except where two (2) members form the quorum).

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- 4.6 The interested Director shall excuse himself/herself from the meeting and shall abstain from the deliberation and voting in respect of his/her own nomination at the Nomination Committee level and Board level. However, he/she may attend the Nomination Committee meetings on the invitation of the Chairperson of the Nomination Committee if his/her presence is required.
- 4.7 The Nomination Committee may deal with matters by way of a circular resolution in writing, in lieu of convening a formal meeting. The circular resolution shall be as valid and effectual as if it has been passed by a meeting of the Nomination Committee duly convened. Approval of the Nomination Committee obtained by way of circular resolution must be signed and approved by all its members.
- 4.8 All recommendations and findings of the Nomination Committee shall be submitted to the Board for approval. Upon such approval, the Secretary(ies) shall distribute to each member a copy of the said approval.

**5. Minutes**

- 5.1 Minutes of each meeting shall be kept at the registered office of the Company under the custodian of the Company Secretary(ies). The Minutes shall be opened for the inspection of the Board, external auditors, internal auditors, management and other persons deemed appropriate by the Company Secretary(ies).
- 5.2 The minutes of the Nomination Committee meeting shall be signed by the Chairperson of the meeting at which the proceedings were held or by the Chairperson of the next succeeding meeting.

**6. Quorum**

- 6.1 The quorum for the meeting of the Nomination Committee shall be two (2) members. In the absence of the Chairperson of the Nomination Committee, the other members of the Nomination Committee present shall, amongst themselves, elect a Chairperson who must be an Independent Director, to chair the meeting.

**7. Authority**

- 7.1 The Nomination Committee is not authorised to implement its recommendations on behalf of the Board but shall make recommendations to the Board for its consideration, approval and implementation.
- 7.2 In carrying out its duties and responsibilities, the Nomination Committee shall have the following powers:
- (i) full, free and unrestricted access to any information, records and personnel;
  - (ii) to obtain external legal or independent professional or other advice and expertise necessary for the performance of its duties, if any; and
  - (iii) all members shall have access to the advice and services of the Company Secretary(ies).

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**APPENDIX H****8. Duties and responsibilities**

- 8.1 The duties and responsibilities of the Nomination Committee are as follows:
- (a) To determine and review the criteria for Board membership, including age, gender, cultural background, qualities, experience, skills, education, time commitment and other factors that will best qualify a nominee to serve on the Board.
  - (b) To review annually and recommend to the Board with regards to the structure size balance and composition of the Board and Board Committees including the required mix of skills, qualification and experience, core competencies, age, cultural background and gender which Non-Executive Directors should bring to the Board and other qualities to function effectively and efficiently.
  - (c) To consider, evaluate and propose to the Board any new board appointments, whether of executive or non-executive position. In making a recommendation to the Board on the candidate for directorship, the Nomination Committee shall have regard to:-
    - (i) size, balance, composition, mix of skills, qualification, experience, age, cultural background, gender, competencies and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board and the Group; and
    - (ii) caliber, credibility, skill and experience to bring an independent judgement to bear on issues considered by the Board and that Independent Non-Executive Directors should make up at least two (2) Directors or one-third (1/3) of the membership of the Board.
- 8.2 The Nomination Committee shall utilise various sources such as existing Board members, management, major shareholders, independent search firms and other independent sources if the need arises, to identify suitably qualified candidates.
- 8.3 To recommend to the Board;
- i) Directors to be members of the Board Committees;
  - ii) whether Directors who are retiring by rotation should be put forward for re-election;
  - iii) whether Independent Directors who have exceeded a cumulative of nine (9) years tenure should be re-designated as Non-Independent Directors; and
  - iv) termination of membership of individual Directors in accordance with policy, for cause or other appropriate reasons.
- 8.4 To ensure appropriate framework and plan for Board succession for the Group.
- 8.5 To establish appropriate plans for succession at Board level as well as senior management level.
- 8.6 To facilitate Board induction and training for newly appointed Directors.
- 8.7 To review training programs for the Board.

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- 8.8 To facilitate achievement of Board gender diversity policies and targets, if any.
- 8.9 To develop the criteria to assess independency of the Directors or relationship and evaluate/assess its independent Directors annually.
- 8.10 To consider other matters as referred to the Nomination Committee by the Board.

**9. Revision of the Terms of Reference**

- 9.1 Any revision or amendment to the Terms of Reference, as proposed by the Nomination Committee or any third party, shall be presented to the Board for its approval.
- 9.2 Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.