

TECHBOND GROUP BERHAD
201601019667 (1190604-M)

BOARD CHARTER

1. INTRODUCTION

The Board of Directors (“the Board”) is responsible for the long-term success of Techbond Group Berhad (“TGB” or “the Company”) and its subsidiaries (collectively “the Group”) and the delivery of sustainable value to its stakeholders. The Board is to govern and set the strategic direction of the Group to ensure that the resources are in place to achieve its purpose while supervising the management by providing good leadership and high standard of good corporate governance and ethical practices throughout the Group.

The Board is expected to act in a professional manner and to maintain high standards of transparency, accountability and to uphold the core values of integrity with due regard to their fiduciary duties and responsibilities. The Board is also responsible for safeguarding TGB Group’s commitment to its shareholders and stakeholders.

This Board Charter shall constitute, and form, an integral part of each Director’s duties and responsibilities.

2. THE BOARD

2.1 Composition, Board Balance and Appointments

The Board shall have a right mix and balance comprising suitably qualified individuals with diverse experience, expertise, background and perspectives.

The Board recognises the importance of ensuring a balance of power and authority between the Chairman of the Board (“the Chairman”) and the Managing Director with clear division of responsibilities for the running of the Board and the Company’s business respectively. The roles of the Chairman and the Managing Director shall be distinct and separate, and these positions must be held by different individuals.

The Board may appoint a Senior Independent Director to whom shareholders’ concerns can be conveyed.

The Constitution of the Company shall stipulate the minimum and maximum number of Directors. The Board is to keep its size at a reasonable level taking into consideration the business operations, areas of involvement, the composition, skills and size needed to facilitate the effective discharge of its duties and functions.

At any one time, the Board members should comprise at least 50% Independent Directors.

The appointment of a new Director shall be assessed by the Nomination Committee ("NC"). All Board appointments will be based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background, gender, ethnicity, religion, beliefs, origin and race taking into account the nature of the industry in which the Company and its subsidiaries ("the Group") operate and that the Board will endeavour to use a variety of approaches including independent sources to identify suitable qualified candidates.

In the event of any vacancy in the Board of Directors, resulting in non-compliance with Paragraph 15.02(3) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company must fill the vacancy within three (3) months of the event.

All selected candidates for appointment as Director of the Company are required to complete the Fit and Proper Declaration Form and review by the NC, before the NC making its recommendation to the Board for approval.

2.2 Board Diversity Policy

The Board seeks to maintain a composition of talented and dedicated directors with diverse skills, knowledge, expertise and backgrounds.

On boardroom diversity, the Board is supportive of the gender boardroom diversity recommended by Malaysian Code on Corporate Governance ("MCCG"). The Board through the NC will continuously review the Board composition taking into consideration the appropriate competence, experience, character, integrity and time to effectively discharge his/her role as a Director.

The board shall comprise at least one (1) woman Director. However, the Board will pursue its target of 30% women Directors to maintain a balance Board composition in line with Practice 5.9 of the MCCG.

2.3 External Board Appointments

Any Board member, whilst holding office, is 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 Group and does not detrimentally affect the Director's performance as a Board member.

All Board members shall notify the Chairman of the Board ("the Chairman") before accepting any new directorship. The notification shall include an indication of time that will be spent on the new appointment.

The Chairman shall likewise notify the Board if he/she has any new directorship or significant commitments outside the Company.

Pursuant to Paragraph 15.06(1) of the Listing Requirements, a Director must not hold more than five (5) directorships in listed issuers on Bursa Securities

2.4 Re-election of Directors

The Constitution of the Company provides that every newly appointed Director by the Board shall be subject to re-election at the Company's forthcoming Annual General Meeting ("AGM") following their appointment. At every AGM one-third of the Board shall retire from office by rotation and be eligible for re-election. All Board members are subject to retirement by rotation or re-election at least once in every three (3) years.

Directors who are subject to re-election is required to complete a Fit and Proper Declaration Form, for the NC to review.

Pursuant to Paragraph 15.06(1) of the Listing Requirements, a Director must not hold more than 5 directorships in listed issuers on Bursa Securities

2.5 Tenure of Independent Directors

The Independent Directors whose tenure exceeds a cumulative term of nine (9) years may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process, and the conditions governing the passing of such resolution is set out under Practice 5.3 of the MCCG.

Pursuant to Paragraph 1.01 of the Listing Requirements, an Independent Director must not serve a cumulative period of more than twelve (12) years from the date of his first appointment as an Independent Director.

2.6 Roles and Responsibilities of the Board

The Board is principally responsible for:

- (a) Together with senior management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behavior;
- (b) Review, challenge and decide on management's proposals for the Company and monitor its implementation by management;
- (c) Ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- (d) Supervise and assess management performance to determine whether the business is being properly managed;
- (e) Ensure there is a sound framework for internal controls and risk management;

- (f) Understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;
- (g) Set the risk appetite within which the Board expects management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- (h) Review the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines including formalizing ethical values through a code of conduct;
- (i) Ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and senior management;
- (j) Ensure that the Company has in place procedures to enable effective communication to stakeholders; and
- (k) Ensure the integrity of the Company's financial and non-financial reporting.

2.7 Formal schedule of matters

A schedule of matters reserved for the collective decision of the Board is listed in Annexure A. The Schedule is non-exhaustive and may be amended by the Board from time to time when deemed necessary.

2.8 Code of Conduct and Ethics

The Board shall formalise and maintain a set of ethical standards of behaviour expected of all Directors, management, employees and, where applicable, counterparts and business partners through the Group's Code of Conduct and Ethics and together with management, implement its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering. The Code of Conduct and Ethics is to be published on the company's website.

The policies of the Group's Code of Conduct and Ethics should be integrated into group wide management practices and be periodically reviewed. The Code of Conduct and Ethics describes the measures put in place on the following areas:

- Handling of actual or potential conflict of interest;
- Prevention of corrupt practices which include the offering and acceptance of gifts and other form of benefits;
- Encouragement of reporting of unlawful or unethical behavior;
- Protection and ensuring the proper use of the company's assets; and
- Ensuring compliance with laws, rules and regulations.

2.9 Whistleblowing Policies and Procedures

The Board shall establish a whistleblowing policy setting out avenues where legitimate concerns can be reported and objectively investigated and addressed. The policy ensures that individuals who raised concerns about illegal, unethical or questionable practices in confidence will not be subject to harassment, retaliation or reprisal.

The oversight of the whistleblowing function is under the purview of the chair of the Audit Committee who shall ensure that all reported concerns are looked into.

2.10 Anti-Bribery and Corruption Policy

The Group is committed to conduct its business in an ethical and honest manner, and to implement and enforce a system that ensure corrupt gratification is prevented. The Group has adopted a zero-tolerance approach against all forms of bribery and corrupt gratification and its associated activities.

The Board and top-level management are committed to act professionally, fairly and with integrity in all of the Group's business, in whichever country we operate.

This Anti-Bribery and Corruption Policy sets out the responsibilities of the Group, and those who work with the Group are to observe and uphold the Group's zero-tolerance position on "Bribery and Corruption".

The Anti-Bribery and Corruption Policy is made available on the Company's website at www.techbond.com.my.

2.11 Conflict of Interest and Transaction Involving Directors

The Company has established a "Conflict of Interest Policy" to manage potential conflict of interest situations including potential conflict of interest between any director and the Group.

Directors can be regarded as having a conflict of interest where the company the Director is associated with, derives an advantage from him being a Director. Therefore a director is required to declare such conflict and to abstain from any voting or deliberation of a matter in which the Director may have an interest.

A Director should disclose to the Board:-

- (a) any material personal interest they have in a matter which relates to the affairs of the Company; and

- (b) any other interest (direct or indirect) which the Director believes is appropriate to disclose in order to avoid any conflict of interest or the perception of a conflict of interest.

The disclosure should be made as soon as practicable after the Director becomes aware of their interest. Details of the disclosure must be recorded in the minutes of the meeting at which the disclosure is made or the meeting held following the disclosure.

All Director shall make an annual/ adhoc declaration of their interests in the Company including but not limited to related party transactions and/or conflict of interest situations, if any, for the Company's records.

2.12 Dealings in Securities

A Director must not deal in the Company's securities when he is in possession of price-sensitive information. All Directors must also comply with the disclosure requirements as prescribed under Chapter 14 of the Listing Requirements when dealing in the Company's securities.

"Price-sensitive information" means information that "on becoming generally available would or would tend to have a material effect on the price or value of securities" as referred to in Section 185 of the Capital Markets and Services Act 2007.

2.13 Fit and Proper Policy

The Board has established a Fit and Proper Policy for the appointment and re-election of Directors of TGB and its subsidiaries, to ensure that the Directors have the necessary quality, competencies and integrity to discharge their roles effectively.

In conducting the Fit and Proper assessment, the Board through its NC shall consider the following criteria as outlined in the Policy:

- Character and Integrity;
- Experience and Competence; and
- Time and Commitment.

Any candidate who has been identified for appointment as a Director or for re-appointment/re-election as a Director within the Group shall be required to make a Fit and Proper declaration form as prescribed by the NC.

The Fit and Proper Policy is made available on the Company's website at www.techbond.com.my.

2.14 Induction and Training

The Board shall facilitate the induction and education programme for newly appointed Directors, which shall include the following:

- (a) time with other officers of the Company (in particular the Chairman, the Company Secretary and if the Independent Director is a functional specialist, his or her counterpart);
- (b) furnishing a copy of the minutes of previous Board meetings held during the last two (2) quarters prior to the appointment, the business/ strategic plan, pertinent management reports, profile of key competitors and significant reports by consultants on areas of Board responsibilities;
- (c) visits to key sites (including overseas locations if such business units are integral and significant to the Company); and
- (d) an induction programme focusing on the above key elements and also presentations from various divisions within the Company on their strengths, weaknesses and aspirations.

In addition to the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad, the Directors shall continually update their knowledge and enhance their skills through appropriate continuing education programmes which are relevant to the Group's operations and business including the sustainability issues that may be relevant to the Company or which will enhance their skills and capabilities as a director.

The Board through the Nomination Committee will assess the training needs of the Directors annually, and ensure Directors have access to continuing education programmes to enable them to effectively discharge their duties and sustain active participation in the Board's deliberation.

3. ROLES OF INDIVIDUAL DIRECTORS, THE CHAIRMAN, MANAGING DIRECTOR, EXECUTIVE AND NON-EXECUTIVE DIRECTORS, SENIOR INDEPENDENT DIRECTOR AND INDEPENDENT DIRECTORS

3.1 Individual Directors

Directors are expected to comply with their legal, statutory and fiduciary duties and obligations when discharging their responsibilities as Directors. Broadly these includes, but not limited to:

- (a) acting in good faith and in the best interest of the Company as a whole;
- (b) exercising due care and diligence;
- (c) avoiding conflict of interest wherever possible;

- (d) refraining from making improper use of information, property or opportunity gained through the position of Director and from taking improper advantage of the position of Director or engaging in business which is in competition with the Company;
- (e) keeping himself/herself abreast of changes and trends in the business and in the Group's business environment and markets and changes and trends in the economic, political, social, legal and regulatory climate that could affect the business of the Group; and
- (f) devoting sufficient time to prepare for and attend Board and Board Committee meetings, attend Directors' continuous training programme and briefings.
- (g) ensuring board information, discussions, deliberations and decisions that are not publicly known are not used for personal interest, or their employees' interests.

3.2 Chairman

The Chairman of the Board shall be an Independent Non-Executive Director and is elected by the Board members.

The Chairman carries out a leadership role in the Board and represents the Board to the shareholders and stakeholders. He will act independently in the best interest of the Group. The key responsibilities of the Chairman include:

- (a) providing leadership for the Board so that the Board can perform its responsibilities effectively:
 - ensures that the board plays a full and constructive part in the determination of the Company's strategies and policies, and that board decisions taken are in the Company's best interests and fairly reflect board's consensus; and
 - ensures that procedures are in place to govern the Board's operations;
- (b) setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner:
 - plans the Board meeting agenda in advance alongside the Company Secretary and the Managing Director. Other Directors and key members of Management may also be consulted;
 - ensures the provision of accurate, timely and clear information to the other Directors; and
 - ensures all Directors are properly briefed on issues arising at Board meetings in a timely manner;

- (c) leading Board meetings and discussions:
 - ensures that adequate time is available for thorough deliberation of key issues; and
 - ensures that decisions are taken on a sound and well-informed basis, including by ensuring that all strategic and critical issues are considered by the Board;
- (d) encouraging active participation and allowing dissenting views to be freely expressed:
 - promotes a culture of openness and debate whilst ensuring that no one Director dominates the discussion; and
 - obtains suggestions and comments from directors and encourages those who are less vocal to be more proactive in providing views;
- (e) managing the interface between Board and Management:
 - acts as the main conduit between management and the Board; and
 - develops a positive relationship with the Managing Director;
- (f) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole:
 - acts as a spokesperson for the Board where appropriate; and
 - acts as the main representative of the Company alongside the Managing Director at shareholders' meetings and on other occasions where key or major actions are taken or statements are made in the name of the Company;
- (g) leading the Board in establishing and monitoring good corporate governance practices in the Company:
 - leads the creation of an effective corporate governance system, including the establishment of Board Committee and their terms of reference, Board Committee structures and induction as well as ongoing education programmes for Directors; and
 - oversees and facilitates the Board, Board Committee and Board member evaluation reviews and succession planning alongside the Chairman of the Nomination Committee.

3.3 Managing Director

The position of Managing Director in essence is to ensure the effective implementation of the Company's strategic plan and policies established by the Board, manage the

daily conduct of the business to ensure its smooth operations, supervision and management of the Company subject to such directions and instructions from the Board.

The Managing Director is accountable to the Board for the achievement of the Company's goals and objectives and observance of Management's limits of authority.

At each of its scheduled meetings, the Board should expect to receive from or through the Managing Director:

- (a) summary reports on the performance and activities of the Company and specific proposals for strategic investment, tender participation, capital expenditure and acquisitions and disposals (if any);
- (b) such assurances as the Board considers necessary to confirm that Management's limits of authority are being observed;
- (c) report to the Board annually on the Managing Director succession planning process; and
- (d) report to the Board annually on the Company's programme for developing management talent.

The Managing Director is expected to act within all specific authorities delegated to him by the Board.

Generally, the Managing Director is responsible to the Chairman/the Board for the following with regards to the Group:

- (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's performance and the analysis of management reports;
- (b) developing long term strategic and short term profit plans, designed to ensure that the Company'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 overseeing the human resource of the organization with respect to key positions and ensuring the general well-being of employees, determination of remuneration as well as terms and conditions of employment for Senior Management in consultation with the Board, where required and the issues pertaining to discipline of employees;

- (e) effectively representing the interest of the Group with major clients, government and their agencies and industries at large and to ensure general goodwill towards the Group and cooperation in planned development;
- (f) assuring the Company that its corporate identity, products and services are of high standards and are reflective of market environment;
- (g) providing assistance to the Board in discharging its duties; and
- (h) assisting the Chairman in organizing information necessary for the Board to deal with the agenda and for providing this information to Directors on a timely basis.

3.4 Executive and Non-Executive Directors

Executive Directors are, as employees, involved in the day-to-day management of the Company and Group. Non-Executive Directors can be further classified as:

- (a) those who have no direct or indirect pecuniary interest in the Company other than their Directors' emoluments and their "permitted" holdings of shares in the Company;
- (b) those who are not employees of the Company or affiliated with it in any other way and are not involved in the day-to-day running of business but may have pecuniary interest in the Company, whether direct or indirect; or
- (c) those who are not employees of the Company but are standing as nominees for substantial shareholders.

The Companies Act 2016 makes no distinction between Executive and Non-Executive Directors in terms of the legal duties that are imposed on Directors.

Non-Executive Directors may act as a bridge between Management, shareholders and other stakeholders. They should provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

3.5 Senior Independent Director

The roles and responsibilities of the Senior Independent Director shall include the following:

- (a) act as a sounding Board for the Chairman;
- (b) serves as the principal conduit between Independent Directors and the Chairman on sensitive issues; and

- (c) be the point of contact for shareholders and other stakeholders for areas that cannot be resolved through the normal channels of contact with the Chairman or Managing Director.

3.6 Independent 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. Their role is focused on performance monitoring and enhancement of corporate governance and controls while providing an independent perspective of proposals and plans put forward by Managing Director and/or Executive Directors.

Since an Independent Director has no conflict of interests in the discharge of his duties, he ought to approach any approval for a transaction or other matter that is being sought at the Board level with a watchful eye and with an inquiring mind.

An Independent Director is especially important in areas where the interests of Management, the Company and/or the shareholders diverge, such as executive performance and remuneration, related party transactions and audit.

It is important to bear in mind the Listing Requirements emphasises that even if a person does not fall within any of the disqualifying indicators enumerated out in Paragraph 1.01, both the Director and the Board must give effect to the spirit, intention and purpose of the definition of an Independent Director. There must be a conscious application of the test of whether the Independent Director is able to exercise independent judgment and act in the best interests of the Company.

The attributes of collegial yet independent decision-making that must be vested in the Independent Director will be determined in part by the character of the individual and that of the whole ethos of the Board.

4. BOARD COMMITTEES

4.1 Board Committees and Terms of Reference

The Board may from time to time establish Board Committees as it may consider appropriate to assist the Board in carrying out its duties and responsibilities. The Board delegates certain functions to the following Board Committees to assist in the execution its duties and responsibilities:

- (a) Audit and Risk Management Committee
 - to assist and support the Board by reviewing the processes for producing financial data, the internal controls and policies and

procedures to assess the suitability, objectivity and independence of the Company's external auditors and internal audit function and to review the process of identifying, measuring and mitigating risks under which the Company operates;

(b) Nomination Committee

- to oversee matters related to the nomination of new Directors, annual review of the required mix of skills, experience and other requisite qualities of Directors and to undertake the formal annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director;

(c) Remuneration Committee

- to review and recommend to the Board the remuneration policies and procedures of Directors and Senior Management which takes into account the demands, complexities and performance of the Company as well as skills and experience required.

The Board Committees shall operate under clearly defined terms of reference. The Board Committees are authorised by the Board to deal with and deliberate on matters delegated to them within their terms of reference. The Chairman of the respective Board Committees reports to the Board on the outcome of the Board Committee meetings and such minutes will be included in the Board papers.

4.2 Board and Board Committee Evaluation

The Board, through the NC, shall undertake a formal annual evaluation of its own performance and effectiveness, including the assessment on the Board as a whole, Board Committees and individual Directors. The NC and the Board will consider the assessment results from the annual evaluation to determine the re-election of Directors.

The Board shall also assess the independence of the Independent Directors annually. Emphasis of assessing independence should be focused beyond the background, economic and family relationship of the Director. Criteria for the assessment shall be in line with the definition of "Independent Director" in the Main Market Listing Requirements.

5. REMUNERATION OF DIRECTORS

The Board, with the assistance of the Remuneration Committee, shall establish and implement its remuneration policies and procedures of the Directors and Senior Management, which takes

into account the demands, complexities and performance of the Company as well as skills and experience required.

Directors who are shareholders should abstain from voting at general meetings to approve their fees. Similarly, the Managing Director and Executive Directors should not be involved in deciding their own remuneration.

6. MEETINGS

The Board shall conduct at least four (4) scheduled meetings annually, with additional meetings to be convened as and when necessary. Members of the Management team who are not Directors may be invited to attend and speak at meetings on matters relating to their respective areas of responsibilities.

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

Board meeting agendas shall be the responsibility of the Chairman with input from Board Members and the Company Secretary. The Chairman may also request Management to participate in this process.

Management shall be responsible for providing the Board with the required information in an appropriate and timely manner. Meeting materials should be circulated at least five (5) business days in advance of the meetings.

Full Board minutes of each Board meeting shall be kept at the Registered Office of the Company and be available for inspection by the Directors during office hours.

7. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

The Directors shall, collectively or individually, have unrestricted access to the advice of the Company Secretary and Senior Management and may also seek independent professional advice and information in the furtherance of their duties and responsibilities at the Company's expense, so as to ensure that the Directors are able to make independent and informed decisions.

Fees for independent professional advice shall be payable by the Company subject to the following:

- (a) first, discussed with the Chairman;
- (b) provide a written notice to the Company Secretary of the intention to seek independent advice with brief summary of the subject matter; and
- (c) the Board shall be notified and approval be obtained prior to the engagement of the professional advisors.

Independent advice sought shall exclude those of personal interests relating to the Director's personal disputes in matters that are not related to or affect the Board or the Company as a whole.

The Board acknowledges that confidential information received in the course of exercise of the Board's duties remains the property of the Company, whether it relates to the Company or another entity. It will not be disclosed unless either the Chairman or the Board has so authorised in writing or disclosure is required by law.

8. COMPANY SECRETARY

8.1 Appointment and removal of Company Secretary

The Board consults the Company Secretary on procedural and regulatory requirements and as such, the latter plays an important role in supporting the Board by ensuring adherence to Board policies and procedures.

The appointment and removal of Company Secretary is a matter for the Board as a whole. The Board recognises that the Company Secretary shall be suitably trained, experienced, professionally qualified and capable of carrying out the duties required of the position. Qualifications may be determined subject to academic qualifications, experience in related field and/or by virtue of examination and membership with professionally recognised institutions.

On an annual basis, the Company Secretary's performance shall be appraised by the Board.

8.2 Roles and Responsibilities of Company Secretary

The Company Secretary shall provide unhindered advice and services for the Directors as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance. The responsibilities of the Company Secretary shall include:

- (a) managing all board and committee meetings logistics, attend and record minutes of all board and committee meetings and facilitate Board communications;
- (b) advising the Board on its roles and responsibilities;
- (c) facilitate the orientation of new directors and assist in director training and development
- (d) updating and advising the Board on corporate disclosures and compliance with the Main Market Listing Requirements, company and securities legislations, and related regulations;
- (e) manage processes pertaining to the annual shareholder meeting;

- (f) monitor corporate governance development and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;
- (g) carrying out other functions as deemed appropriate by the Board from time to time.

9. GENERAL MEETINGS

The Company regards general meetings as the primary platform for dialogue with its shareholders. All Directors and the Chairs of Board Committees must attend General Meetings to provide meaningful response to questions raised addressed to them.

Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, shall be voted by poll. Technology shall be leveraged to facilitate shareholder communication, participation and voting where applicable or necessary.

The notice of the Annual General Meeting ("AGM") shall be sent out to shareholders at least twenty-eight (28) days before the date of the AGM.

10. STAKEHOLDERS' COMMUNICATION AND INVESTOR RELATIONS

The Board looks to Management to speak on behalf of the Company and manage the communication of information to shareholders, investors, other stakeholders and the public in an orderly and effective manner while adhering, at all times, to relevant laws and regulatory requirements.

The Board authorises its Managing Director (or his nominated person) to be the official spokesperson for the Company.

The Board shall have internal corporate disclosure policies and procedures to ensure comprehensive, accuracy and timeliness. These policies and procedures shall ensure compliance with the relevant disclosure requirements as spelt out in the Listing Requirements.

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

11. RISK MANAGEMENT FRAMEWORK

The Board is responsible for the Group's risk management and of internal control systems. Proper risk management and effective internal control systems are important aspects of the Group's governance, management and operations.

The Board shall set the level of risk tolerance for the Group's business to reflect the long-term corporate strategies of the Group. The risk tolerance levels determined by the Board shall be

embedded into the Company's risk culture which serves as a guide in the decision-making processes for both strategic and operational matters.

Risk Management within the Company allows for risks and potential risks to be identified, measured and treated in the context of the Company's risk culture. Risk Management shall be applied consistently throughout the Company.

The Board shall establish a sound risk management and internal controls systems that articulates, implements and monitors key business risks to safeguard the shareholders and Company's interests.

The Board shall periodically review the risk positioning of the Company and ensure it lies within the range of risk tolerance levels determined by the Board as well as to ensure that any weaknesses in internal controls that might affect the Company's operations are dealt with. Risk management should be included into the meeting agenda of the Board as a standing item for the Board to deliberate on key risks which could have substantial impact on the sustainable performance or development of the Company.

12. THE CONSTITUTION OF THE COMPANY AND MANAGEMENT'S LIMITS OF AUTHORITY

The Board operates pursuant to the powers conferred by the Constitution of the Company including any changes thereof as approved by the shareholders at general meeting.

Management is expected to act within all specific authorities delegated to it by the Board as per the Group's limits of authority.

Management is expected not to cause or permit any practice, activity or decision that is contrary to commonly accepted good business practices or professional ethics.

13. SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Board recognises the need for strategies, priorities, targets and plans to promote and contribute towards sustainable development, with particular focus on the economic, environmental and social aspects of the business.

The Board should take into account sustainability considerations when exercising their duties particularly in developing and implementing Company strategies, business plans and risk management.

The Company shall strive to maintain a safe and conducive work environment for its employees and adopts documented policies and procedures as part of its commitment towards Quality, Health, Safety and Environment.

14. REVIEW OF THE BOARD CHARTER

The Board Charter and the terms of reference of each Board Committee shall be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's duties and responsibilities.

The Board Charter is made available for reference in the Company's website.

The Board Charter was revised and approved by the Board on 11 October 2022.

ANNEXURE A

SCHEDULE OF MATTERS RESERVED FOR THE BOARD

(1) Strategy and Operations

- (a) Strategic business plans, mergers and acquisitions of a substantial value;
- (b) Major investment or divestment of business, property or undertaking;
- (c) Annual budget (including capital expenditure budget);
- (d) Investment or divestment of a capital project which represents a significant diversification from the Company's existing business activities;
- (e) Limits of authority for the Company;
- (f) Extension of the Group's activities into new business or geographic areas;
- (g) Any decision to cease to operate all or any material part of the Group's business;
- (h) Provision of indemnities or corporate guarantees.

(2) Financial Reporting and Controls

- (a) Quarterly financial results following recommendations from the Audit Committee;
- (b) Annual Report including statements and reports contained therein;
- (c) Audited Financial Statement based on recommendations from the Audit Committee;
- (d) Declaration of interim dividends and recommendation of final dividends;
- (e) Any significant changes in accounting policies or practices following recommendations from the Audit Committee and adoption of accounting policies in line with the Malaysian Financial Reporting Standards.

(3) Internal Controls

Ensuring maintenance of a sound system of internal control and risk management, including approving an appropriate statement for inclusion in the Annual Report.

(4) Board Membership and Other Appointments

- (a) Changes to the structure, size and composition of the Board, based on recommendations of the Nomination Committee;
- (b) Approval of the Terms of Reference, membership of Board Committees etc.;
- (c) Scope and extent of delegations to Directors or Board Committees;
- (d) Appointment and removal of the Directors of the Company and changes to their executive positions all based on the recommendations of the Nomination Committee;
- (e) Selection and appointment of the Chairman, Senior Independent Director, Chairman of Board Committees based on recommendations of the Nomination Committee;
- (f) Succession planning for the Board and Senior Management;
- (g) Appointment and removal of the Company Secretary;
- (h) Appointment, reappointment or removal of the External Auditor to be put to shareholders for the approval, based on recommendations of the Audit Committee;

- (i) Approval of the remuneration of the External Auditor and terms of engagement, based on recommendations of the Audit Committee.

(5) Remuneration

- (a) Recommendation of Directors' fees and benefits for Non-Executive Directors to be put to the shareholders for approval;
- (b) Approval of remuneration packages, including service contracts, for Executive Directors and Senior Management.

(6) Other matters

- (a) Changes relating to the Group's capital structure including reduction of capital, share issues and share buybacks;
- (b) Changes to the Group structure;
- (c) Changes to the Constitution of the Company;
- (d) Change in financial year end.