

## **BOARD CHARTER**

### **1. Purpose of the Board Charter**

This Board Charter sets out the principles for the operation of the Board of Directors ("Board") of Binasat Communications Berhad ("Binasat" or the "Company") and its subsidiaries (the "Group"). It serves as reference point for Board activities and should not be construed as a blueprint for Board operations.

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

The Board has primary responsibility to shareholders for the welfare of the Company. The Board is responsible for guiding and monitoring the business and the affairs of the Company. The Company recognises the importance of the Board in providing a sound base for good corporate governance in the operations of the Company.

This Board Charter is established to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and management with regard to the role of the Board and its committees. This Board Charter does not overrule or pre-empt the statutory requirements and other relevant statutes. This Board Charter shall form an integral part of each Director's fiduciary duties and responsibilities.

### **2. Composition of the Board**

- 2.1 The Board should be of a size and composition with the benefit of diversity in perspective, competencies, extensive experience, knowledge and skills that is conducive to effective decision making and effective discharge of its roles and responsibilities for the benefit of the Group and its Business.
- 2.2 At any one time, at least half of the board shall comprise Independent Directors. The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations.
- 2.3 The appointment of a new member to the Board is only made after consultation with the Nomination Committee ("NC"). Further, in identifying candidates for appointment of directors, the Board does not solely rely on recommendations from existing Board members, management or major shareholders. The Board utilises variety of independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the NC should explain why these source(s) suffice and other sources were not used.

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- 2.4 The Board recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Company to ensure a balance of power and authority. The position of Chairman and the Managing Director (“MD”) are held by different individuals.
- 2.5 A Director shall inform the Board’s Chairperson before he/she accepts any new directorships.
- 2.6 Each Board member must not hold directorships at more than five (5) public listed companies.
- 2.7 The Board shall obtain time commitment from newly appointed Directors at the time of appointment.
- 2.8 The Board shall appoint a Senior Independent Director who serves as the point of contact between the Independent Directors and the Chairman on sensitive issues, ensure all Independent Directors have an opportunity to provide input on the agenda and ensure the Independent Directors can perform their duties responsibly and with sufficient time for discussion of all agenda items.
- 2.9 The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9)-years period, an Independent Director may continue to serve on the board subject to the director’s re-designation as a non-Independent Director. The Board may, in exceptional cases and subject to the assessment of the NC on an annual basis, recommend for an Independent Director who has served a consecutive or cumulative term of nine (9) years to remain as an Independent Director subject to valid justification and annual shareholders’ approval through a two-tier voting process.
- 2.10 In the event of any vacancy in the Board resulting in non-compliance with Rule 15.02(1) of the ACE Market Listing Requirements (“AMLR”), the Company must fill the vacancy within 3 months.

### **3. Appointments and Re-election**

- 3.1 The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the NC. It is of essence of the Board to ensure high levels of professional skills and appropriate personal qualities are pre-requisites for such nominee.
- 3.2 The criteria for the recruitment or appointment (including re-election/re-appointment) of Director is guided by fit and proper assessment by the NC based on Terms of Reference (“TOR”) of the NC.

Without limiting the generality of the foregoing, the qualifications for Board membership are:

- (a) the ability to make informed business decisions and recommendations;

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- (b) an entrepreneurial talent for contributing to the creation of shareholders' value;
- (c) sufficient available time to be able to fulfil his or her responsibilities as a member of the Board and any of the Committees to which he or she may be appointed; and
- (d) total commitment to furthering the interests of shareholders and the achievement of the Company's goals

- 3.3 The Board shall undertake an assessment of its Independent Directors annually. When the tenure of an Independent Director reaching nine (9) year limit, he may continue to serve on the Board as Non-Independent Director. The Board shall justify and seek annual shareholders' approval through two-tier voting process as guided by Malaysian Code on Corporate Governance ("MCCG") as follows:-

Tier 1 : Only the large shareholder(s) of the Company votes; and

Tier 2 : Shareholder other than larger shareholder(s) votes.

Large shareholder(s) means a person who –

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

The decision for the resolution is determined based on the simple majority of votes of Tier 1 and a simple majority of votes of Tier 2. The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution. The resolution is deemed defeated where the vote between the two tiers differs or where Tier 1 vote(s) abstained from voting.

The Board shall undertake a rigorous review to determine whether the "independence" of the Director has been impaired to justify retaining an Independent Director beyond the cumulative term limit of nine (9) years. Findings from the review shall be disclosed to the shareholders for them to make an informed decision.

- 3.4 The tenure of the executive Directors are tied to their executive office.
- 3.5 No person shall be appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if the person is or becomes an active politician. A person is considered an "active politician" if he is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.
- 3.6 Pursuant to the Company's Constitution, an election of directors takes place subsequent to their appointment each year where one-third (1/3) of the directors or if their number is not three (3) or multiple of three (3), then the number nearest to one-third (1/3) shall retire by rotation from office and shall be eligible for re-election at each annual general

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meeting and that each director including Managing Director shall retire from office at least once in every three (3) years and shall be eligible for re-election.

- 3.7 The directors to retire in each year shall be those who have been longest in office since their last election, but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 3.8 The Board shall provide a statement as to whether it supports the appointment or reappointment of the Director and the reasons.
- 3.9 Annual assessment on the effectiveness of the Board, Board Committees and Individual Directors will be carried out with the objective to draw the attention of the Board key areas that need to be improved.

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

4.1 The Board should, among others undertake the following:-

- (i) Strategic planning - to review and approve strategies, business plans and key policies for the Group and monitor Management's performance in implementing them to determine whether the business is being properly managed;
- (ii) Corporate goal - to set corporate values and clear lines of responsibility and accountability, including governance systems and processes that are communicated throughout the Group;
- (iii) Compliance to regulation - to ensure full compliance and to carry out the duties of the Board in accordance with the relevant provisions of the AMLR, the Capital Markets and Services Act 2007, the Companies Act 2016, the MCCG and all applicable laws, regulations and guidelines;
- (iv) Independent and transparent - to ensure that there shall be unrestricted access to independent advice or expert advice at the Company's expense in furtherance of the Board's duties;
- (v) Code of conduct - to formalise the ethical standards through a code of conduct which will be applicable throughout the Group and ensure compliance to this code of conduct;
- (vi) Succession planning - to ensure that Management has the necessary skills and experience, has and there is a proper and robust succession plan for its Management and Executive Directors in place. Succession planning refers to the process of selecting, training, appointing, monitoring, evaluating and if warranted, replacing any management to ensure succession;

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- (vii) Management proposals - to review, challenge and decide on Management's proposals for the Group, and monitor its implementation by Management;
- (viii) Judgmental timing - to ensure that the Board has adequate procedures in place to receive reports from Management periodically and / or on a timely manner, so that the Board has reasonable grounds to make proper judgement on financial matters and business prospects of the Group on an ongoing basis;
- (ix) Financial and non-financial reporting - to ensure all its directors are able to understand financial statements and form a view of the information presented, and to ensure the integrity of the Group's financial and non-financial reporting. Each director shall read the financial statement of the Group and carefully consider whether what they disclose is consistent with the director's own knowledge of the Group's affairs;
- (x) Related party management - to assess any related party transactions or conflict of interest situations that may arise within the Company or Group, including any transaction, procedure or course of conduct that raises questions of management integrity;
- (xi) Board committee - to establish and ensure the effective functioning and monitoring of the Board Committees then to delegate appropriate authority and Terms of Reference ("TOR") to such committees established by the Board;
- (xii) Board balance - to strive to achieve an optimum balance and dynamic mix of competent and diverse skillsets amongst the members of the Board;
- (xiii) Governance culture - together with Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour; and
- (xiv) Stakeholder communication - to ensure that the Group has in place procedures to enable effective communication with stakeholders.

4.2 The Board will direct and supervise the Management, the business and affairs of the Group including, in particulars:-

- (i) Sustainability management - to review and adopt a strategic plan for the long-term value creation and includes strategies on economic, environment and social considerations;
- (ii) Performance management - to establish policies for strengthening the performance of the Group including ensuring that the Management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;

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- (iii) Risk management - to identify principal risks, set the risk appetite within which the Board expects the Management to operate and ensure the implementation of appropriate systems to manage the significant financial and non-financial risks and to ensure there is a sound framework for internal controls and risk management;
- (iv) Internal audit - to establish an internal audit function to obtain assurance of regular review and / or appraisal of the effectiveness of the system of internal controls within the Company and Group. The Board should explain in summary the means that exist for obtaining such assurance of regular review and / or appraisal;
- (v) Internal control - to review the adequacy and integrity of the Group's internal control system and management information systems, including systems for complying with applicable laws, regulations, rules, directives and guidelines;
- (vi) Debt repayment capacity - to decide on whatever steps necessary to protect the Company's and Group's financial position and the ability generate cash flow to meet its debts and other obligations when they fall due, and ensuring that such steps are taken; and
- (vii) Law and regulations - to ensure that the operations of the Company are conducted prudently and within the framework of relevant laws and regulations.

## **5. Formal Schedule of Matters Reserved for the Board's Decision**

### **5.1 The Board reserves full decision-making powers on the following matters:**

- (a) Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- (b) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- (c) Specific items of capital expenditure and investments, acquisitions and dis-investments and any significant initiatives or opportunities that arise outside the annual planning and budgeting process;
- (d) Strategic business plans and annual budget;
- (e) Reviewing and approving annual and quarterly results;
- (f) Succession planning for key management;
- (g) Strategic investments, mergers and acquisitions and corporate exercises;
- (h) Limits of authority;

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- (i) Treasury policies;
- (j) Risk management policies;
- (k) Key human resource issues;
- (l) Ensuring regulatory compliance; and
- (j) Reviewing the adequacy and integrity of internal controls.

**6. Chairman and Managing Director**

- 6.1 The Company aims to ensure a balance of power and authority between the Chairman and the Managing Director with a clear division of responsibility between the running of the Board and the Company's business respectively. The position of Chairman and Managing Director are separated and clearly defined.

The Chairman of the Board should not be involved in the Board Committees to ensure there is check and balance as well as objectives reviewed by the Board.

**7. Role of the Chairman**

- 7.1 The Chairman assumes a leadership role in the Board and represents the same to shareholders of the Company. Key responsibilities of the Chairman include:
- (a) provide leadership for the Board so that the Board can perform its responsibilities effectively;
  - (b) set the board agenda and ensure that Board members receive complete and accurate information in a timely manner;
  - (c) lead board meetings and discussions;
  - (d) encourage active participation and allow dissenting views to be freely expressed;
  - (e) manage the interface between Board and management;
  - (f) ensure appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole;
  - (g) lead the Board in establishing and monitoring good corporate governance practices in the Group;
  - (h) ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the Company's

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financial and non-financial performance as well as the Company's long-term strategies.

- (h) performs other responsibilities assigned by the Board from time to time.

**8. Role of the Managing Director ("MD")**

8.1 The position of the MD in essence is to ensure the effective implementation of the Group's strategic plan and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operations.

8.2 The MD is responsible to the Board for the following:

- (a) executive management of the Group's 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) develop long-term strategic and short-term profit plans;
- (c) assessing business opportunities which are potential benefit to the Company;
- (d) set, review and ensure compliance with the Company's value;
- (e) direct and control all aspects of the business operations;
- (f) effectively oversee the human resources of the Group with respect to key positions in the Group's hierarchy;
- (g) ensures that the Group's Financial Reports present a true and fair view of the Group's financial condition and operational results and are in accordance with the relevant accounting standards.
- (h) assures the Group's corporate identity, products and services are of high standards and are reflective of the market environment;
- (i) be one (1) of the official spokesman for the Company and responsible for regulatory, governmental and business relationships;

8.3 The MD is responsible to the Board for the following:

- (j) ensures compliance with governmental procedures and regulations;
- (k) coordinates business plans with the businesses heads, coordinates management issues through the Board, and oversees divisional function groups and cost containment process in consultation with the Chief Financial Officer or Finance Manager;

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- (l) maintains and facilitates a positive working environment and good employee relations; and
- (m) assists the Chairman in organising information necessary for the Board to deal with the agenda and for providing this information to Directors on a timely basis.

In discharging the above responsibilities, the MD can delegate appropriate functions to the senior management, who shall report to the MD.

## **9. Role of Independent Directors**

9.1 Independent Directors are those who have no direct or indirect pecuniary interest in the Company other than the remuneration for their services as members of the Board of Directors and Board committees of the Company and the Group which as defined under Rule 1.01 of the AMLR.

9.2 The role of Independent Directors is to constructively challenge and help develop proposals on strategy include, inter alia:

- (a) to make independent assessment of the information, reports or statements, having regard to the directors' knowledge, experience and competence, to provide independent view and demonstrate objectivity in reviewing and challenging the management's proposals at meetings;
- (b) to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to keep abreast of industry issues, sustainability issues relevant to the Group and its business, including climate-related risks and opportunities; market development and trend, and enable them to sustain their active participation in board deliberations; and
- (c) act as a channel of communication between Management, shareholders and other stakeholders, and provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.
- (d) to bring impartiality and scrutiny to Board's deliberations and decision-making and also serve to stimulate and constructively challenge the Management in an objective manner.

9.3 Independent Directors are encouraged to meet among themselves at least annually to discuss among others strategic, governance and operational issues.

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## **10. Role of Senior Independent Director**

10.1 The role of Senior Independent Director include, amongst others:-

- (a) act as a sound board for the Chairperson;
- (b) ensure all independent directors have opportunity to input on the agenda, and advise the Chairperson on the quality, quantity and timeliness of the information submitted by management that is necessary or appropriate for the independent directors to perform their duties effectively;
- (c) consult the Chairperson regarding board meeting schedules to ensure the independent directors can perform their duties responsibly and with sufficient time for discussion of all agenda items;
- (d) serve as the principal conduit between the independent directors and the Chairperson on sensitive issues;
- (e) serve as a designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the Chairperson or MD
- (f) lead the succession planning and appointment of directors, and oversee the development of a diverse pipeline for board and management succession, including the future Chairman, Executive Directors and CEO; and
- (g) lead the annual review of board effectiveness, ensuring that the performance of each individual director and Chairman of the Board are independently asses.

## **11. Role of Individual Directors**

11.1 The principal roles of individual Directors includes, amongst others:-

- (a) review and adopt a strategic plan for the company;
- (b) oversee the conduct of the company's business to evaluate whether the business is being properly managed;
- (c) succession planning, including appointing, training, fixing the compensation of and, where appropriate, replacing senior management;
- (d) develop and implement an investor relations programme or shareholder communication policy for the company;
- (e) review the adequacy and the integrity of the company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

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- (f) direct the management of the business and affairs of the Group;
- (g) attend substantially all the meetings of the Board and substantially all the meetings of each Committee on which the Director serves;
- (h) review all materials provided by the Company relating to matters to be considered before attending meetings of the Board or Committees; and
- (i) to read the financial statements of the Company and carefully consider whether what they disclose is consistent with the director's own knowledge of the Company's affairs.

**12. Disqualification or vacation of office:**

The office of Directors shall become vacant if the Director:

- (a) becomes bankrupt;
- (b) has been convicted of an offence involving bribery, fraud or dishonesty;
- (c) becomes disqualified from being a Director by reason of any order made under the Companies Act 2016 or has been convicted of an offence under Sections 213, 217, 218, 228 and 539 of the Companies Act 2016;
- (d) becomes of unsound mind;
- (e) is absent from more than 50% of the total board of directors' meetings held during a financial year;
- (f) resigns from office by notice in writing given to the Company; or
- (g) removed from office by resolution of the Company in general meeting of which special notice has been given.

**13. Board Processes / Procedures**

Board Meetings shall be conducted in a business-like manner where all Directors are encouraged to share their views and partake in discussion. No one person should dominate the discussion.

***13.1 Board Meeting and Frequency***

- (a) The Board shall meet regularly, at least on a quarterly basis. Special Board meetings shall be held in addition to the quarterly meetings as and when required. Prior notice of meetings will be given to all who are required to attend the meetings.

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The quorum for Board meetings shall be at least two.

- (b) The Chairman of the Board, or in his/her absence, a Director from amongst the Board members appointed shall preside at all meetings.
- (c) Board members are required to attend the Board meetings and attendance of each individual Director in the meetings held in a financial year is required to be disclosed in the Annual Report.
- (d) Other senior officers may be invited to attend for particular items within their responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises.

Any Director who has a direct or deemed interest in the subject matter to be deliberated, must abstains from deliberation and voting on the same during the meeting.

- (e) The Directors may participate at a meeting of the Directors by means of telephone and video conference or by other means of communication. The physical presence of Director(s) is not compulsory and participation at the meeting in the aforesaid manner shall be deemed to constitute presence in person at such meeting. The Directors participating at any such meeting shall be counted in the quorum for such meeting. All resolutions agreed upon by the Directors at such a meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. All information and documents must be made equally available to all participants prior to, at, or during the meeting.

### ***13.2 Agenda***

- (a) The notice of a Directors' meeting shall be given in writing at least seven (7) days prior to the meeting save and except for the case of emergency.
- (b) The agenda shall include, amongst others, matters specifically reserved for the Board's decision. The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof in discharging its duties and responsibilities.

### ***13.3 Meeting Papers***

- (a) Board papers and agenda items are to be circulated at least five (5) business days prior to the meeting.

### ***13.4 Minutes***

- (a) The Board shall record its deliberation, in terms of the issues discussed, including any dissenting views and if any Director had abstained from voting or deliberation on a particular matter, and the conclusion thereof in discharging

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its duties and responsibilities. The minutes of Board meetings shall be prepared in a timely manner.

***13.5 Access to Information and Independent Professional Advice***

- (a) All Directors (executive and non-executive) have the same right of access to all information within the Group whether as a full board or in their individual capacity, in furtherance of their duties and responsibilities as Directors of the Company, subject to a formal written request to the Chairman furnishing satisfactory and explicit justification for such request.
- (b) All Directors shall have access to the advice and services of the Company Secretary. The Board shall recognise that the Chairman is entitled to the strong and positive support of the Company Secretary in ensuring the effective functioning of the Board.
- (c) The Board or in their individual capacity, in furtherance of their duties, shall be able to obtain an independent professional advice at the Company's expenses.

**14. Company Secretary**

- 14.1 The appointment and removal of the Company Secretary is a matter for the Board as a whole.
- 14.2 The Company Secretary shall be suitably qualified, competent and capable of carrying out the duties required of the post.
- 14.3 The key role of the Company Secretary is to 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. Other primary responsibilities of the Company Secretary shall include:
  - (a) advising the Board on matters related to corporate governance and ACE Market Listing Requirements;
  - (b) ensuring that Board procedures and applicable rules are observed;
  - (c) advise the Board on the implementation of the Corporate Governance Code;
  - (d) monitor compliances with the principles and best practices of the Code and inform the Board of any breaches;
  - (e) advise the Board on its obligatory requirements to disclose material information to the shareholders and financial markets on a timely basis
  - (f) advise the Board on its roles and responsibilities;
  - (g) notify the Chairperson of any possible violations of legal and regulatory acts;

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- (h) prepare agendas and coordinating the preparation of the Board papers in a timely and effective manner;
- (i) ensure the meeting flows effectively;
- (j) record the decisions of the Board, ensuring that the decisions are relayed to the management to act upon and circulated amongst the directors;
- (k) provide full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time;
- (l) assist the Board in ensuring a smooth administration of the appointment of new directors;
- (m) facilitate the orientation of new directors and assist in director training and development;
- (n) ensure availability of information required by new directors for the proper discharge of their duties;
- (o) ensure compliance with the procedure for conducting meetings and safekeeping of corporate documentation;
- (p) preparing agendas and coordinating the preparation of the Board papers in a timely and effective manner;
- (q) preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded;and
- (r) serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

## **15. Board Committees**

- 15.1 The Board reserves the right to establish Committees from time to time in the discharge of its duties and responsibilities.
- 15.2 Where a Committee is formed, specific terms of reference of the committee would be established to serve as a guidance note which covers matters such as the purpose, composition and functions of the committee.
- 15.3 A number of standing committees with written terms of reference has been established namely the following:

- (a) Audit and Risk Management Committee (“ARMC”)**

The ARMC assists and supports the Board's responsibility of overseeing the Group's operations by providing a means for review and monitoring of the integrity

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of the Group's financial reporting processes, its management of risk and internal control system, its audit process as well as compliance with legal and regulatory matters, its own code of business conduct and such other matters that may be specifically delegated to the ARMC by the Board from time to time. The ARMC reviews the quarterly financial results, unaudited and audited financial statements, internal and external audit reports as well as related party transactions.

**(b) NC**

NC which comprises exclusively of non-executive directors, a majority of whom must be independent. The NC should ensure that the composition of the Board is refreshed periodically. The tenure of each director would be reviewed by the NC and annual re-election would be contingent on satisfactory evaluation of the director's performance and contribution to the Board. NC role is to oversee matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.

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

The RC is responsible for recommending to the Board the remuneration packages of Executive Directors, Non-Executive Directors and Senior Management in all its forms, drawing from outside advice if necessary. The remuneration of Executive Directors shall be recommended by the RC with the individual Director concerned abstaining from discussing his individual remuneration. The amount of remuneration payable shall be determined with reference to corporate and individual performance of Directors.

Although the Board has granted discretionary authority to these committees to deliberate and decide on certain operational matters as set out in their respective TOR, the ultimate responsibility for final decision on all matters lies with the Board.

**16. Remuneration Levels of Directors**

- 16.1 The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.
- 16.2 The Board has a remuneration policy to determine the remuneration 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 remuneration policies and practices should appropriately reflect the different roles and responsibilities of Non-Executive Directors, Executive Director and Senior Management. The policies and procedures are periodically reviewed and made available on the Company's website.

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- 16.3 The level of remuneration for the Managing Director and Executive Director is recommended by the RC to the Board after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.

In fixing the remuneration to be paid to Directors who are not employees of the Group for serving on the Board and on Committees of the Board, the Board will consider the following:

- a) The compensation that is paid to Directors of other companies which are comparable in size to the Group.
  - b) The amount of time it is likely Directors will be required to devote in preparing for and attending meetings of the Board and the Committees on which they serve.
  - c) The success of the Company (which may be reflected in compensation related to the price of the Company's shares).
  - d) If a Committee on which a Director serves undertakes a special assignment, the importance of that special assignment to the Group and its shareholders.
  - e) The risks involved in serving as a Director and a member of Board Committees.
- 16.4 Fees payable to non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- 16.5 There is adequate disclosure in the annual report with note on the remuneration of Directors

**17. Accountability and Audit**

**17.1 Financial Reporting**

- (a) The Board aims to present a clear and balanced assessment of the Group's financial position and future prospects that extends to the annual and quarterly reports.
- (b) The Board ensures that the annual and interim financial statement are prepared so as to give a true and fair view of the current financial status of the Group in accordance with the approved accounting standards.

**17.2 Company Auditors**

- (a) The Board has established formal and transparent arrangement for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company auditors through the ARMC.

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- (b) The ARMC also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company auditors. The ARMC ensures that the Company auditors do not supply a substantial volume of non-audit services to the Company and any practice that departs from this has to be disclosed in the AC Report.

**17.3 Internal Controls and Risk Management**

- (a) The Board has overall responsibility maintaining a system of internal controls, which provides reasonable assurance of effective and efficient operations and compliance with laws and regulations as well as with internal policies and procedures.
- (b) The Company has a well-resourced internal audit function, which critically reviews all aspects of the Company's activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis. The internal auditors have direct access to the Board through the Chairman of the ARMC.
- (c) The Board ensures the system of internal controls is reviewed on a regular basis by the ARMC.
- (d) The ARMC receives reports regarding the outcome of such reviews on a regular basis.

**18. The Board's Relationship with Shareholders and Stakeholders**

- 18.1 The Board shall maintain an effective communications policy that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the general public.
- 18.2 It is the role of the Board to ensure that the general meetings of the Company are conducted in an efficient manner and serves as a crucial mechanism in shareholder communications. Key ingredients behind this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the AGM.
- 18.3 The Board will focus its efforts on the following best practices to enhance the effectiveness of the General Meeting:
  - (a) ensure that each item of special business included in the notice to be accompanied by background information and reports or recommendations that are relevant to the proposed resolution(s);
  - (b) ensure that the Chairman provides reasonable time for discussion at the meeting. Where appropriate and if required, the Chairman will also

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undertake to provide written answer to any significant question which cannot be answered immediately; and

- (c) conduct a business presentation with a question and answer session, where appropriate and if required.
- (d) for election and re-election of Directors, ensures that the notice of meeting state which Directors are standing for election with a brief description to include matters such as age, relevant experience, list of directorships, date of appointment to the Board, details of participation in board committee and the fact that a particular Director is independent.
- (e) ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the Board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders will be made visible to all meeting participants during the meeting itself.
- (f) ensure minutes of general meeting published on Company's website no later than 30 business days after general meeting.

18.4 The MD shall take responsibility for communicating and addressing queries from Shareholders, stakeholders, analysts and press at all times. Having said that, the chair of respective committees shall also provide meaningful response to questions addressed to them at general meeting.

18.5 The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Group and such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.

18.6 The Board ensures the timely release of financial results on a quarterly basis to provide shareholders and analysts with an overview of the Group's performance and operations in addition to the various announcements made during the year.

18.7 The Group's website, [www.binacom.com.my](http://www.binacom.com.my), provides easy access to corporate information pertaining to the Group and its activities and is continuously updated.

## **19. Induction Process**

19.1 Induction of Directors may include, but not limited to, the following:

- (a) furnishing of a copy of the previous board minutes for at least the past six (6) months;
- (b) Binasat Group's code of conduct;

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- (c) Binasat Group's Anti Bribery and Anti-Corruption Policy;
- (d) visits to key sites; and

## **20. Directors' training**

- 20.1 Directors are required to undergo the mandatory accreditation programme under the auspices of Bursa Malaysia Securities Berhad. In addition, Directors are required to attend relevant training courses or seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors as well as technical matters, for example, financial reporting standards, tax budgets, etc. The NC shall decide on the continuous education training programme for Directors.
- 20.2 All trainings attended by Directors shall be disclosed in the Annual Report. In special circumstances, valid justifications for non-attendance at any training by Directors for the financial year shall also be disclosed.

## **21. Corporate Disclosures**

- 21.1 The Board shall have relevant corporate disclosure policies and procedures to ensure comprehensiveness, accuracy and timeliness of information disclosed. These policies and procedures shall ensure compliance with the relevant disclosure requirements as enumerated in the ACE Market Listing Requirements.
- 21.2 The Company shall consider the use of information technology in communicating with stakeholders, including a dedicated section for Investor Relations on the Company's website. This section shall provide information such as, amongst others, the Board Charter and the Annual Report of the Company.
- 21.3 The Board appoints the MD to speak on behalf of the Group and to manage the communication of information to investors, other stakeholders and the public in an orderly and effective manner while adhering, at all times, to relevant laws and regulatory requirements

## **22. Anti-Corruption Compliance Programme**

The Board shall ensure a sustainable anti-corruption compliance programme, which includes the Anti-Bribery and Anti-Corruption Policy and assign adequate resources to implement the anti-corruption compliance programme. The Anti-Bribery and Anti-Corruption Policy is available at the Group's website, <http://www.binacom.com.my/>

## **23. Whistle-Blowing Policy**

To enhance corporate governance practices across the Group, a whistle-blowing policy has been adopted which provides Directors, Management, employees and stakeholders of the Group with an avenue to report suspected improprieties such as illegal or unlawful conduct, contravention of the Group's policies and procedures, acts endangering the

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health or safety of any individual, public or employee, and any act of concealment of improprieties.

The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, to the extent possible, be protected from reprisal, victimisation, harassment or subsequent discrimination.

**24. Code of Ethics**

The Board has formalise and commit to ethical values through the maintenance of a Code of Ethics and ensure the implementation and compliance with the Code of Ethics.

**25. Periodic Review**

This Charter and all Board Committee Charters and Policies shall be periodically reviewed and may be amended by the Board as it deems appropriate.

*This Board Charter was reviewed and approved by the Board on 31 May 2022*