



KIMLUN CORPORATION BERHAD

Registration No. 200901023978 (867077-X)

BOARD CHARTER

1. Introduction

- 1.1 The Board of Directors (“Board”) is accountable and responsible for the performance and affairs of Kimlun Corporation Berhad (“the Company”) and its subsidiaries’ (collectively referred to as “the Group”), including practising a high level of good governance.
- 1.2 The Board shall be the focal point of the Group’s corporate governance practices and is ultimately responsible for:
- (i) showing good stewardship and acting in a professional manner, as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities;
 - (ii) setting the Group’s strategic aims to ensure that necessary resources are in place for the Group to meet its objectives and review its management’s performance and affairs of the Group;
 - (iii) promoting the Group’s values and standards; and
 - (iv) ensuring that the Group’s obligations to its shareholders and other stakeholders are understood and met.
- 1.3 The use of word “Chairman” in this Board Charter shall be construed to include both genders.

2. Purpose of Charter

- 2.1 The objective of this Board Charter is to ensure that all Board members are fully aware of their fiduciary duties and responsibilities as Board members and the various regulations that may have an impact on discharge of the Board’s responsibilities.
- 2.2 In pursuit of the principles set out in this Board Charter, the Board shall commit to employ the principles of integrity, transparency and professionalism to ensure that the principles of good corporate governance are applied in all the Group’s business dealings in respect of its shareholders and relevant stakeholders so that shareholders’ investment, value and interests of the stakeholders are safeguarded.

2.3 The Board Charter sets out:-

- (i) the composition, roles, responsibilities and processes of the Board, individual Directors and Senior Management; and
- (ii) the delegation of authority by the Board to various Board committees (“Board Committees”) to safeguard the Board members in performing their responsibilities on behalf of the Group for the benefit of the Company and its stakeholders.

2.4 The guiding principles of this Board Charter include the following:-

- (i) Companies Act 2016 (“the Act”);
- (ii) The Company’s Constitution;
- (iii) Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”);
- (iv) Malaysian Code on Corporate Governance (“MCCG”); and
- (v) Any other applicable laws or regulatory requirements.

2.5 In the event of a conflict between the Constitution and this Board Charter, the provisions of the former shall have precedence subject to compliance with the legislation and regulatory requirements.

3. Board Structure

3.1 Authority

The Board’s roles and responsibilities are governed by the Constitution of the Company and also in accordance with the Act, Listing Requirements of Bursa Securities, the MCCG, the Capital Markets and Services Act 2007 and any other prevailing regulatory corporate governance practices and laws or regulatory requirements.

3.2 Board Composition

- (1) The Board consists of qualified individuals with diverse set of skills, experience and knowledge necessary to govern the Company. The composition and size of the Board is such that it facilitates the decision making of the Company.
- (2) Pursuant to the Constitution of the Company, the number of Directors (excluding Alternate Director) shall not be less than three (3) directors nor more than ten (10) directors.

- (3) In accordance with the Listing Requirements of Bursa Securities, the Company must ensure that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Non-Executive Directors (“Independent Directors”) and at least one (1) Director is a woman. If the number of Directors is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) must be used.
- (4) In the event of any vacancy in the Board of Directors, resulting in non-compliance with Paragraph 15.02(1) of the Listing Requirements of Bursa Securities, the Company must fill the vacancy within three (3) months of the event.
- (5) The Board acknowledges the importance of objective and independent deliberation in decision making. At least half of the Board comprises Independent Non-Executive Directors to ensure a balance of power and authority on the Board.
- (6) The Independent Directors provide objective and independent views and judgement in decision-making processes of the Board covering issues of strategy, performance and risks. The presence of the Independent Directors fulfills a pivotal role in corporate governance accountability and ensures the interests of all shareholders are indeed taken into account by the Board.
- (7) The Chairman of the Board shall not be a member of the Audit and Risk Management Committee (“ARMC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”).
- (8) On boardroom diversity, the Board is supportive of the gender diversity in the boardroom. The Board will, through the NC, review the proportion of the female to male board members during the annual assessment of the Directors’ performance taking into consideration the appropriate skills, experience and characteristics required in the context of the needs of the Group.
- (9) The Board does not consider it necessary to nominate a Senior Independent Director to whom concerns may be conveyed. All members of the Board have demonstrated that they are always available to members and stakeholders. All issues can be openly discussed during Board meetings.

- (10) In reviewing the Board composition and size, the Board with assistance from the NC, also take into consideration all aspects of diversity including age, gender, ethnicity, skills, experience, independence and cultural background of the Board members.

3.3 Appointment

- (1) The appointment of a new Director is a matter for consideration and decision by the full Board. The NC is responsible for proposing and recommending any potential new Director taking into consideration inter-alia the current and future needs of the Group and the credential of the potential new Director.
- (2) In making its recommendation, the NC shall consider the character, experience, competence, integrity and time of the candidates, as well as the following factors:-
- skills, knowledge and expertise;
 - age and gender;
 - professionalism;
 - cultural background and diversity;
 - commitment;
 - contribution and performance; and
 - in the case of candidates for the position of Independent Directors, the Board shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Directors.
- (3) Prior to his/her appointment, the potential new Director will be briefed on the Company's vision and mission, its philosophy and nature of business, the corporate strategy and the expectations of the Company concerning input from Directors.
- (4) New Directors are expected to have such expertise as to qualify them to make a positive contribution to the Board performance of its duties. New Directors are required to commit sufficient time to attend the Company's meetings or matters before accepting his appointment to the Board.
- (5) The Board does not solely rely on recommendations from existing Board members, management or major shareholders for identifying candidates for appointment of Directors. The Board will utilise independent sources to identify suitably qualified candidates.

- (6) 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.

3.4 Tenure of Directors

- (1) Pursuant to the Company’s Constitution, one third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office and be eligible for re-election at every Annual General Meeting (“AGM”) provided always that all Directors shall retire from office once at least every three (3) years and are eligible to offer themselves for re-election at the AGM.
- (2) All newly appointed Directors shall hold office until the next AGM and shall then be eligible for re-election pursuant to the Company’s Constitution.
- (3) The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine (9) years, it shall justify and seek annual shareholders’ approval through a two-tier voting process.

3.5 Board Independence

- (1) The Board only considers Directors to be independent where they are independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. Without limiting the generality of the foregoing, an Independent Director is one who:-
 - (a) is not, and has not been within the last three (3) years, an officer of the Company or any related corporation of the Company (each corporation is referred to as “said Corporation”). For this purpose, “officer” has the meaning given in Section 2 of the Act but excludes a Director who has served as an Independent Director in any one or more of the said Corporations for a cumulative period of less than twelve (12) years;

- (b) is not a major shareholder of the said Corporation;
 - (c) is not a family member of any Executive Director, officer or major shareholder of the said Corporation;
 - (d) is not acting as a nominee or representative of any executive Director or major shareholder of the said Corporation;
 - (e) has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by Bursa Securities, or is not presently a partner, Director (except as an Independent Director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by Bursa Securities;
 - (f) has not engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities, or is not presently a partner, Director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by Bursa Securities; or
 - (g) has not served as an Independent Director in any one or more of the said Corporations for a cumulative period of more than twelve (12) years from the date of his/her first appointment as an Independent Director.
- (2) The roles of the Independent Directors are essential in bringing independent judgement and ensuring all issues proposed by the Executive Directors are fully discussed and examined to take into account the long-term interests of the shareholders and other stakeholders such as the employees and business associates.
- (3) The NC reviews the independence of each Independent Director annually or whenever necessary, in light of information relevant to this assessment as disclosed by each Independent Director to the Board.

3.6 New Directorship

- (1) A Director may accept appointments to other boards, provided that such appointments do not result in conflict of interest with the Group and does not detrimentally affect the Director's performance as a Board member. The Director shall notify the Chairman and the Group Chief Executive Officer ("CEO") before accepting any new directorship in other public listed company and indicate the time expected to be spent on the new appointment.

- (2) A Director must not hold more than five (5) directorships in listed issuers on Bursa Securities.

3.7 Fit and Proper Policy

- (1) The Board has established a Directors' Fit and Proper Policy for the appointment and re-election of Directors of the Group, to ensure that the Directors have the necessary quality, competencies and integrity to discharge their roles effectively.
- (2) In conducting the fit and proper assessment, the Board through its NC shall consider the following criteria as outlined in the Policy:
 - (a) Character and Integrity;
 - (b) Experience and Competence; and
 - (c) Time and Commitment.
- (3) Any candidate who has been identified for appointment as a Director or for re-appointment/re-election as a Director of the Company shall be required to make a declaration in the Directors' Declaration of Fit and Proper Assessment Form as prescribed by the NC.
- (4) The Fit and Proper Policy is made available on the Company's website at <http://www.kimlun.com>.

4. Role and Responsibilities

4.1 The Board

- (1) The role of the Board is to represent and serve the interests of the shareholders. It is primarily responsible for setting the appropriate tone at the top, overseeing and supervising the management of the business affairs of the Group towards realising the long-term success and delivery of sustainable value to its stakeholders.
- (2) The responsibilities of the Board include:-
 - (a) Formulating the Group's strategic plans and strategies with economic, environmental and social considerations in line with sustainability practices for the Group;
 - (b) Reviewing, challenging and deciding on corporate proposals for the Group, and monitoring its implementation by Management;

- (c) Overseeing the conduct of the Group's business to ensure the business is being properly managed with good corporate governance, high standard of ethics and corporate behaviour;
 - (d) Establishing an effective risk management and internal control framework which includes identifying the principal risks and ensuring the implementation of appropriate internal controls and mitigation measures to achieve a proper balance between risks incurred and potential returns to the shareholders;
 - (e) Setting 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;
 - (f) Ensure Senior Management has the necessary skills and experience, and there are measures for orderly succession planning for the Company's Board and Senior Management which are reviewed on an annual basis, and to ensure that there are appropriate policies for training, appointment and performance monitoring of Senior Management;
 - (g) Developing and implementing an investor relation programme or shareholder communication policy for the Company to enable effective communication with stakeholders;
 - (h) Together with Senior Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour; and
 - (i) Ensuring the integrity of the Company's financial and non-financial reporting.
- (3) Matters which shall be reserved for decision by the Board, supported by any recommendation as may be made from time to time by the Board Committees (as appropriate) include:-
- (a) Strategic issues and planning, including sustainability;
 - (b) Corporate plans and programmes;
 - (c) Budget and performance reviews;
 - (d) Dividend policy or declaration of dividends;
 - (e) Material borrowings;
 - (f) Treasury policies;
 - (g) Key human resources issues;
 - (h) New ventures;
 - (i) Material acquisitions and disposals of undertakings, assets and properties;
 - (j) Quarterly financial results and annual financial statements; and

- (k) Any matters or transactions that fall within the ambit of the Board pursuant to the Act, Listing Requirements of Bursa Securities, the Company's Constitution or any other applicable laws and regulations.
- (4) For financial reporting, the Board aims to present a balanced and meaningful assessment of the Company's financial performance primarily through the annual financial statements and quarterly announcement of financial results. The Board is assisted by the ARMC to oversee the Company's financial reporting process and the quality of the financial reporting.

4.2 Executive Chairman

- (1) The roles and responsibilities of the Executive Chairman and the Group CEO are clearly defined and segregated to ensure a balance of power and authority such that no one individual has unfettered power of decision.
- (2) The Executive Chairman be responsible for the following:-
 - (a) Leading the Board in its responsibilities for the business and affairs of the Company and its oversight of management;
 - (b) Overseeing the Board in the effective discharge of its supervisory role;
 - (c) Ensuring the integrity and effectiveness of the governance process of the Board and leading the Board in the adoption and implementation of good corporate governance practice in the Group;
 - (d) Setting the agenda for Board Meetings with the assistance of the Company Secretary and ensuring all Board members receive complete and accurate information in a timely manner;
 - (e) Leading Board discussion, encourage active participation and allowing dissenting views to be freely expressed;
 - (f) Facilitating the effective contribution of all Directors and ensuring constructive relations be maintained between Directors and between the Board and Management;
 - (g) Ensuring that there is regular and effective evaluation of the Board's performance; and
 - (h) Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

- (3) The Executive Chairman shall allow every board resolution to be voted on and ensure the will of the majority prevails. In determining policies matters, he should ensure that the following are carried out:-
- (a) All Directors are properly briefed on issues arising at Board meetings; and
 - (b) There is sufficient time allowed for discussion on complex or contentious issues and where appropriate, arrange informal meetings beforehand to enable thorough preparations.

4.3 Group CEO

- (1) All Board authorities conferred on the Management is delegated through the Group CEO and this will be considered as the Group CEO's authority and accountability.
- (2) The roles and responsibilities of the Group CEO, with the support of Senior Management, are:-
- (a) Oversee the day-to-day operations of the Group and implement the strategies, plans, budgets and policies approved by the Board;
 - (b) Develop and recommend to the Board the strategic business plans, annual operating plans and budgets that support the Group's short-term and long-term strategies in consultation with the Executive Chairman;
 - (c) Monitor the performance of the Group against the performance and sustainability targets and reporting to the Board;
 - (d) Provide strong leadership to employees of the Group;
 - (e) Drive strategic management of material sustainability matters;
 - (f) Assess business opportunities which are of potential benefit to the Group;
 - (g) Assess the principal risks of the Group and ensuring that these risks are being monitored and managed;
 - (h) Communicate effectively with shareholders, employees, Government authorities, other stakeholders and the public;
 - (i) Keep the Board fully informed of all important aspects of the Group's operations and bring material and other relevant matters to the attention of the Board in an accurate and timely manner;
 - (j) Ensure effective internal controls and legal compliance and governance measures are deployed; and
 - (k) Act within specific authorities delegated by the Board and ensure the limits of authority accorded by the Board are observed.

4.4 Executive Directors

- (1) Executive Directors are the Senior Management of the Company who involved in the day-to-day management of the Group.
- (2) Executive Directors assist the Board in decision-making process through their technical expertise and knowledge of the business and its industry.
- (3) Executive Directors, with the help of Management, assist the Board in facilitating the orientation of new Directors and Director training and development.

4.5 Independent Non-Executive Directors

- (1) The Independent Directors shall provide independent judgement and objectivity without being subordinated to operational considerations. The Independent Directors help to ensure that the interests of all shareholders, and not only the interests of a particular group, and that all relevant matters and issues are objectively and impartially considered by the Board.
- (2) The roles of an Independent Director, amongst others, are as follows:-
 - (a) Provide objective and independent judgement on issues;
 - (b) Ensure that the interests of the Company, shareholders and stakeholders are well taken into account;
 - (c) Mitigate any potential conflict of interest that may arise in the governance of the Group;
 - (d) Monitor the areas of discussion, notably those where potential conflicts of interest may arise; and
 - (e) Provide a check and balance to the Board.
- (3) An Independent Director must immediately disclose to the Board in the event of any change in his/her circumstances that may affect his/her objectivity and/or status as an Independent Director. In such case, the Board must review the Director's designation as an Independent Director.

4.6 Senior Management

Senior Management's role and responsibilities include the following:-

- (a) Together with the Group CEO, formulate the corporate strategy for the Board's approval. Once approved, implement it accordingly;

- (b) Assume day-to-day responsibility for the Company's conformance with relevant laws and regulations and its compliance framework;
- (c) Achieve the performance targets set by the Board;
- (d) Formulate, implement and update the Group's standard operating policies and procedures;
- (e) Be alert to relevant trends in the Group's industries and operating environment;
- (f) Drive strategic management of material sustainability matters;
- (g) Develop, implement and manage the Group's risk management and internal control frameworks; and
- (h) Provide accurate, timely and clear information to the Board to enable the Board to effectively perform its responsibilities.

5. Board Committees

- 5.1 The Board, in discharging its fiduciary duties, may from time to time establish Committees as it considers necessary to assist it in carrying out its responsibilities.
- 5.2 The Board has established three (3) Board Committees, namely ARMC, NC and RC, each entrusted with specific tasks and operates within clearly defined Terms of Reference ("TOR") approved by the Board. The Chairman of the respective Committees reports to the Board on the outcome of the Committee meetings and such reports or minutes will be included in the Board papers.
- 5.3 The TOR of the respective Committees are made available for reference at the Company's website at <http://www.kimlun.com>.
- 5.4 The Board is collectively responsible for any decision taken by any Board Committee. A Board Committee may only perform the tasks delegated to it by the Board and should not exceed the authority conferred on it by the Board. Decisions which by law should be made by the Board shall not be delegated to a Board Committee.

6. Board Meetings

6.1 Proceedings

The proceedings of the Board meetings shall be in accordance with the Constitution of the Company.

6.2 Frequency

The Board shall meet at least five (5) times a year. In exceptional circumstances, additional meetings may be convened. During Board meetings, the Group CEO and members of the Management team, will table and present reports for the Board's consideration, deliberation and direction.

6.3 Notice and Board Papers

- (1) The notice of Board meeting, board papers and any other documents are made available at least five (5) business days in advance to the Board to facilitate well-informed Board deliberation and decision-making. In addition, members of the Management are frequently invited to the Board meetings to explain and clarify the items tabled to the Board.
- (2) The Executive Chairman, together with Management and the Company Secretary, shall undertake the primary responsibility for preparing the agenda for the Board meetings. The agenda shall include amongst others, matters specifically reserved for the Board's decision, high-priority strategic issues and where required, operational issues. The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof, in discharging its duties and responsibilities.
- (3) Management is responsible for providing the Board with the required information in an appropriate and timely manner. Each Director will, prior to attending the meetings, review all materials provided by the Company relating to matters to be considered at the meetings.

6.4 Quorum

The quorum necessary for the transaction of the business of Directors shall be two (2). Only Board members shall be eligible to vote at a Board meeting.

6.5 Report from Board Committees

- (1) The Chairman of the ARMC, RC and NC would report to the Board at Board meeting of any salient matters noted by the Committee and which require the Board's notice, direction or approval.
- (2) The Chairman shall ensure that Board Committee meetings are not combined with the main Board meeting to enable objective and independent discussion during the meetings.

6.6 Attendance

- (1) All Directors must meet the minimum 50% attendance requirement imposed by the Listing Requirements of Bursa Securities.
- (2) Senior Management who are not Directors and external advisers may be invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda.
- (3) Where there are Executive Directors on the Board, the Non-Executive Directors are encouraged to meet among themselves at least annually to discuss among others strategic, governance and operational issues.

6.7 Minutes

- (1) All proceedings of the Board meetings reflecting the deliberations and decisions of the Board shall be properly recorded. Minutes are prepared following a Board meeting and are circulated in draft form. The draft minutes will be re-circulated with the Board papers in readiness for signing at the following meeting.
- (2) Board members should ensure that minutes of Board meetings accurately reflect the deliberations and decisions of the Board, including whether any Director abstain from voting or deliberating on a particular manner.
- (3) Such minutes having been signed by the Chairman of the meeting at which the proceedings were held, or by the Chairman of the next succeeding meeting shall be sufficient evidence of such proceedings. Minutes of the Board Meeting shall be circulated to all members of the Board in a timely manner.
- (4) The minutes of proceedings and resolutions of meetings of the Directors and any written resolutions passed by Directors, shall be kept at the Registered Office or other office which authorised by the Board as soon as practicable after the meeting is held or the resolution passed and be made available for inspection by any Directors during office hour.

7. Board Evaluation and Performance

- 7.1 The NC evaluates the effectiveness and performance of the Board as a whole, the Board Committees and the individual Directors on an annual basis. The evaluation process may be facilitated by the Company Secretary or independent experts through questionnaires and/or interviews covering a variety of assessment criteria.
- 7.2 The criteria on which assessment is made is developed, maintained and reviewed by the NC. The assessment criteria includes the mix of skills, experience, competency, time commitment, character, integrity, independence, ability to constructively challenge and contribute to the development of strategy, diversity and other qualities required to meet the needs of the Group and to comply with the provisions of the Listing Requirements of Bursa Securities. The NC, upon discussion of the results, will present the findings to the Board.
- 7.3 The Board Committees shall also regularly be reviewed by the Board to ascertain their performance and effectiveness.

8. Remuneration of Directors

- 8.1 The Board has established a formal and transparent process for approving the remuneration of Directors, whereby the RC is responsible for reviewing the remuneration policy and making recommendations on the same to the Board for approval. In its review, the RC considers various factors including roles and responsibilities, experience, knowledge, special qualification, skills, contributions and commitment of the individual Director and the performance of the Group as a whole.
- 8.2 The level and make-up of remuneration should be effective and sufficient enough to:-
- (1) attract and retain the Directors needed to run the Group successfully; and
 - (2) motivating and creating incentives for Directors to perform at their best.
- 8.3 Executive Directors will receive no fees but will be paid as full-time employees of the Company. The level of remuneration of the Executive Directors takes into consideration the Directors' experience, responsibilities, qualifications, level of skills, contribution and commitment to the Group, the performance of the Group and the compensation levels for comparable positions among other similar Malaysian public listed companies in the construction industry.

- 8.4 In the case of Non-Executive Directors, the level of remuneration should reflect the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned.
- 8.5 Non-Executive Directors will be paid a fixed basic fee as ordinary remuneration, a sum based on their responsibilities in Board Committees and allowances for their attendances at the meetings. The fee and allowance are subject to the approval of the shareholders at the General Meeting of the Company.
- 8.6 No Board member, whether executive or non-executive, will be involved in deciding his own remuneration. Directors who are shareholders and controlling shareholders with a nominee or connected director on the Board should also abstain from voting on the resolution to approve Directors' fees at the general meeting.
- 8.7 The Board should report to the shareholders on the individual Directors' remuneration on named basis and this should be included in the annual report.

9. Access to Information and Independent Professional Advice

- 9.1 All Directors, whether as a full Board or in their individual capacity shall have unrestricted access to Management and to any information of the Group, including access to the advice and services of the Company's auditors and consultants, Company Secretary, which is relevant to the furtherance of their duties and responsibilities as Directors of the Company at the expense of the Company.
- 9.2 In discharging the Directors' duties, each Board member is entitled to obtain independent professional at the expense of the Company when the need arises. This is for advice deemed relevant and necessary in order for the Directors to discharge their duties for the overall benefit of the Company.
- 9.3 In such circumstances, the Director shall first discuss it with the Chairman and provide the request to seek professional independent advice for the Board's consideration and approval. It must be noted that such a restriction is not applicable to the Executive Director who is acting in his/her capacity of the furtherance of his/her executive responsibilities and within his/her delegate powers.

10. Directors' Induction and Training

- 10.1 All newly appointed Directors are required to complete the Mandatory Accreditation Programme required under the Listing Requirements of Bursa Securities.
- 10.2 All Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes to enable Directors to effectively discharge their duties and sustain active participation in Board deliberations.
- 10.3 The Board with the assistance of the NC, shall assess the training needs of the Directors from time to time, to ensure that Directors have access to training courses or seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors.

11. Company Secretaries

- 11.1 The Board is supported by suitably qualified and competent Company Secretaries who play an important advisory role and is a source of information and advice to the Board and Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group.
- 11.2 The Board shall ensure that the Company Secretaries remain competent to fulfill the function for which they have been appointed. In this respect, the appointment and removal of the Company Secretaries are matters for the Board to consider as a whole.
- 11.3 The roles and responsibilities of the Company Secretaries are as follows:-
 - (a) Manage all Board and Committee meeting logistics, attend and record minutes of all Board and Committee meetings and facilitate Board communication;
 - (b) Advise the Board on its roles and responsibilities;
 - (c) Facilitate the orientation of new Directors and assists in Directors' training and development;
 - (d) Advise the Board on corporate disclosures and compliance with company and securities regulations and Listing Requirements;
 - (e) Manage processes pertaining to the annual shareholder meeting;
 - (f) Monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectation; and

- (g) Serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

12. Investor Relations and Shareholder Communication

12.1 The Board shall place great importance in ensuring the high standards of transparency and accountability in its communication to shareholders, analysts and the public. The shareholders shall be informed of all material matters affecting the Company and Group.

12.2 The channels of communication, amongst others, are as follows:-

- (a) Timely announcements made to Bursa Securities, which includes quarterly financial results, material contracts awarded, changes in the composition of the Group and any other material information that may affect investors' decision making;
- (b) Conduct dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests; and
- (c) The Company's website (<http://www.kimlun.com>) which provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

12.3 The AGM is the principal forum for dialogue with shareholders. At each AGM, a presentation is given by the Group CEO or a member of the Executive Directors to explain the Group's strategy, performance and major developments to shareholders. The Company shall invite the external auditors to attend the AGM and be available to answer to shareholders' questions about the conduct of the audit and the preparation of the auditor's report.

12.4 The Board will focus its efforts on the following best practices to enhance the effectiveness of the General Meetings:-

- (a) Ensure notice of the AGM and Annual Report issued and dispatched to its shareholders at least 28 days before the date of meeting;
- (b) All Directors are to attend the General Meetings;
- (c) The Chairman of the ARMC, NC and RC to provide meaningful response to questions addressed to them;

- (d) Ensure that each item of special business included in the notice of AGM is accompanied by a full explanation of the effects of the proposed resolution;
- (e) Ensure that the Chairman provides reasonable time for discussion at the General Meetings;
- (f) 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 financial and non-financial performance as well as the Company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response;
- (g) Ensure that the resolutions set out in the notice of General Meeting are voted by poll;
- (h) Leverage on technology to facilitate voting (including voting in absentia) and remote shareholders' participation at General Meetings;
- (i) Ensure minutes of the General Meeting be circulated to shareholders or uploaded onto the Company's website no later than 30 business days after the General Meeting.

13. Conflict of Interest

A Director shall at all times avoid conflicts of interest and shall as soon as practicable after the relevant facts have come to his/her knowledge, declare the nature of his/her interest at a meeting of the directors of the Company. Every Director shall give notice to the Company of such events and matters relating to him/her as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Act and Bursa Securities.

14. Confidentiality and Disclosures of Interest

- 14.1 The Directors are required to act in the best interest of the Company. The Directors also have a duty of confidentiality in relation to the Company's confidential information.

14.2 All information and documentation received by the Board from the Company shall be treated as confidential, unless otherwise expressly decided by the Board. All Board members are responsible for ensuring that any material received is properly protected and remains confidential. If any information is to be provided to third parties, this shall be decided by the Group CEO.

14.3 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.

15. 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.

16. Code of Ethics and Conduct

The Directors are required to observe the Company's Corporate Code of Conduct. The core areas of conduct under the Code include the following:-

- (i) Compliance with all applicable laws, rules and regulations;
- (ii) Conflict of interest;
- (iii) Confidential information;
- (iv) Fair dealing;
- (v) Company assets and property;
- (vi) Knowledge and information;
- (vii) Employment practices; and
- (viii) Reporting of illegal and unethical behavior.

The Board will review the Code regularly to ensure that it continues to remain relevant and appropriate. The Code is made available for reference in the Company's website at <http://www.kimlun.com>.

17. Anti-Bribery and Corruption Policy

- 17.1 The Group is committed to conduct business in an honest and ethical manner. The Group has adopted a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships, wherever we operate, and to implementing and enforcing effective systems to counter bribery.
- 17.2 The Anti-Bribery and Corruption Policy sets out the responsibilities of the Group to comply with law against bribery and corruption and provides guidance to the Directors, personnel and business associates on standard of behaviour to which they must adhere to and how to recognise and deal with bribery and corruption issues, to ensure that the Group's business is conducted in an ethical manner with integrity and honesty.
- 17.3 The Anti-Bribery and Corruption Policy is made available for reference on the Company's website at <http://www.kimlun.com>.

18. Whistleblowing Policy & Procedure

- 18.1 The Group is committed to achieving and maintaining the highest standards of integrity, openness, probity and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner.
- 18.2 The Board has established a Whistleblowing Policy & Procedure to encourage an individual, whether employee or otherwise, to raise serious concerns internally, without fear of reprisal or victimization, in a responsible and effective manner.

19. Conflict of Interest Policy

The Board has established a Conflict of Interest Policy ("COI Policy") which serves as a comprehensive framework for the purpose of identifying, reporting and monitoring conflict of interest arising from the interest (direct or indirect) of Director(s). Proper identification and management of conflicts of interest ensures that interests of the Group are safeguarded.

20. Review of the Board Charter

This Board Charter was reviewed and approved by the Board on 29 November 2023 and is made available for reference on the Company's website at <http://www.kimlun.com>.

The Board will review this Charter from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices.

Any updates to the principles and practices set out in this Charter will be made available on the Company's website.

*****END*****