

## THIS BOARD CHARTER APPLIES TO:

- MST Golf Group Berhad (Registration No.: 199301009307 (264044-M))
- MST Golf Sdn Bhd (Registration No.: 198901011987 (189294-P))
- MST Golf Management Sdn Bhd (Registration No.: 200101013452 (549209-A))
- MST Golf Arena Sdn Bhd (Registration No.: 199801015399 (471528-D))
- MST Golf (Singapore) Pte Ltd (Registration No.: 200002124N)
- PT MST Golf Distribution (AHU-0068036.AH.01.01.TAHUN 2023)
- PT MST Golf Indonesia (AHU-0067107.AH.01.01.TAHUN 2023)
- Unless otherwise specified, any other companies that may become subsidiaries of MST Golf Group Berhad after the effective date of this document.

## ADOPTION &amp; REVISION HISTORY:

Rev.	Effective Date	Description	Approved by
0	12 May 2023	Formal Adoption	Board of Directors
1	22 Nov 2023	Revised Clause 4.1.6(a) to include "Senior Management". Revised Clause 4.5.1 to further specify conflict of interest disclosure requirements. Added Clause 4.5.4 to mention the new Conflict of Interest Policy and declaration form. Changed "ARC" to "ARMC" throughout document.	Board of Directors
2	28 Aug 2024	Added new Board Committee called "Governance, Risk & Sustainability Committee". Changed "ARMC" to "AC".	Board of Directors

(SEE NEXT PAGE FOR CHARTER)

## 1. DEFINITIONS

1.1. The following definitions shall apply in throughout this document:

AGM	Annual General Meeting
Board	The Board of Directors of the Company
Bursa Securities	Bursa Malaysia Securities Berhad
CA	Companies Act 2016
CFO	The Group's Chief Financial Officer
CEO	The Group's Chief Executive Officer
Chairman	Chairman of the Board and is used in a gender-neutral sense
Committee	The Board Committees of the Company
Company	MST Golf Group Berhad
Company Secretary	Board secretary(ies)
Constitution	Constitution of the Company
Directors	the Directors for the time being of the Company and unless otherwise stated, includes their duly appointed alternates
EGM	Extraordinary General Meeting
Group	The Company and its subsidiaries as listed in the first page of this document.
Independent Director	A Director who does not participate in the management of the Company and who satisfies the criteria for "independence" set out in the MMLR
Management	Management personnel of the Group
MMLR	Main Market Listing Requirements of Bursa Securities
MCCG	Malaysian Code on Corporate Governance
SC	Securities Commission Malaysia
Senior Management	Senior Management personnel of the Group

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### **2. INTRODUCTION**

- 2.1. The Board regards corporate governance as vitally important to the success of the Group's business and are unreservedly committed in ensuring that the following principles of good governance are practiced in all its business dealings in respect of its shareholders and relevant stakeholders:
- 2.1.1. The Board is the focal point of the Group's corporate governance system. It is ultimately accountable and responsible for the performance and affairs of the Group.
  - 2.1.2. All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.
  - 2.1.3. All Board members are responsible in ensuring the Group achieves a high level of good governance.
  - 2.1.4. This Board Charter shall constitute, and form, an integral part of each Director's duties and responsibilities.
- 2.2. The Board Charter serves as a reference point for Board activities and should not be construed as a blueprint for Board operations. Just as each organisation has its own corporate culture, the dynamics of each Board is unique. The dynamics shift as the composition of the Board changes, and the Directors should always be open to new opportunities and ready to confront new challenges brought about by change.
- 2.3. This Board Charter aims to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and Management about the role of the Board and its Committees, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company, as well as the Board's operating practices. This Board Charter does not overrule or pre-empt the statutory requirements of Directors enshrined in the CA, the Income Tax Act 1967 and other relevant statutes, including the conduct of the Board as stipulated in the Constitution. To the extent of any conflict between the terms of this Board Charter and the Constitution, the Constitution shall prevail.

### **3. OBJECTIVES**

- 3.1. 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 corporate governance are applied in all their dealings in respect, and on behalf of the Group.

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- 3.2. In pursuit of the ideals in this Board Charter, the intention is to exceed "minimum legal requirements" with due consideration to recognised standards of best practices locally and internationally.

### **4. THE BOARD**

#### **4.1. Role**

- 4.1.1. The Board is charged with leading and managing the Group in an effective and responsible manner. Each Director has a legal duty to act in good faith, to use reasonable care, skill and diligence and to act in the best interest of the Group. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Group are managed. The Board sets the Group's values and standards and ensures that its obligations to its shareholders and stakeholders are understood and met.
- 4.1.2. The Board is fully committed to develop and maintain high standards of corporate governance by implementing the prescriptions of the principles and best practices stated in the MCCG. Good governance holds management accountable to the Board and the Board is accountable to the owners and other stakeholders. The Board's fundamental approach in this regard is to ensure that the right executive leadership, strategy and internal controls for risk management are well in place. The Board includes a narrative statement in its Company's annual report on the extent of compliance with the principles and practices set out in the MCCG pursuant to Paragraph 15.25 of the MMLR.
- 4.1.3. The Board ensures that the Group complies with the various guidelines issued by Bursa Securities and the SC relating to disclosure and internal audit functions.
- 4.1.4. Duties of the Board include establishing the corporate vision and mission of the Group, establishing its objectives and developing the strategies that direct the ongoing activities of the Group to achieve these objectives as well as the philosophy of the Group, setting the aims of Management and monitoring the performance of Management. The Board shall also determine the future of the Group and shall protect its assets and reputation.
- 4.1.5. The Board assumes the following specific duties and responsibilities:
- a) together with the Senior Management, promote good corporate governance culture within the Group which reinforces ethical, and professional behaviour;
  - b) review, challenge and decide on Management's proposals for the Group, and monitor its implementation by the Management;

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- c) ensure that the strategic plan and direction of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- d) supervise and assess the conduct and performance of the Management 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 Group's business and recognise that business decisions involve the taking of appropriate risks;
- g) set the risk appetite within which the Board expects the 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) ensure that the Group has adequate procedures in place to prevent the Group from being involved in corruption. The Board shall require the Management to conduct a yearly risk-based review of such corruption risk procedures and ensure that any weaknesses, if discovered, are remediated;
- i) ensure that the Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of the Board and Senior Management;
- j) ensure that the Group has in place procedures to enable effective communication with stakeholders; and
- k) ensure the integrity of the Group's financial and non-financial reporting.

4.1.6. The Board reserves full decision-making powers on the following matters:

- a) Conflict of interest issues relating to a substantial shareholder, a Director, or a Senior Management as well as parties connected with them including approving related party transactions;
- b) Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- c) Strategic investments, mergers and acquisitions and corporate exercises;
- d) Limits of authority;
- e) Treasury policies;

- f) Risk management policies; and
- g) Key human resource issues.

4.1.7. The responsibilities of the Directors include:

- a) To direct the management of the business and affairs of the Group;
- b) To attend substantially all the meetings of the Board and substantially all the meetings of each Committee on which the Director serves; and
- c) To review, before attending meetings of the Board or Committees, all materials provided by the Group relating to matters to be considered at the meetings.
- d) To ensure the subsidiaries of the Company and their Directors adhere to the following:
  - (i) The subsidiaries and their directors must provide with any information requested by the Company to enable the Board to oversee the performance of the subsidiaries effectively, including assessing non-financial performance of the Group;
  - (ii) The subsidiaries and their directors must cause to be kept the accounting and other records to:
    - sufficiently explain its business, transactions and financial position;
    - enable the preparation of true and fair financial statements; and
    - enable the accounting and other records to be conveniently and properly audited.
  - (iii) The subsidiaries and their directors must provide the Company with all information and record necessary to enable the preparation of the consolidated financial statements in accordance with the approved accounting standards;
- e) The information and records required under (ii) and (iii) shall be kept for not less than seven (7) years from the completion of transactions or operations to which the entries or records relate.

## 4.2. **Composition and Board Balance**

- 4.2.1. The Board should consist of qualified individuals with diverse experiences, backgrounds and perspectives. The Constitution provides a minimum of two (2) and a maximum of eleven (11) Directors. The composition and size of the Board should be such that it facilitates the making of informed, critical decisions without limiting the level of individual participation, involvement and effectiveness.
- 4.2.2. The Board shall not comprise of any member as defined under the MCCG such as “active politician” or holding any government positions such as head of state or minister.
- 4.2.3. At any one time, at least half of the Board shall be Independent Directors. The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations. If there is an odd number of Board members, then the number nearest to shall be used for the purpose of determining the requisite number of Independent Directors.
- 4.2.4. The Board shall target to maintain a minimum of 30% women representation on the Board, whichever is higher. The number nearest to 30% shall be used for the purpose of determining the requisite number of female Directors.
- 4.2.5. In the event of any vacancy in the Board, resulting in non-compliance with the above, the Board must ensure that the vacancy is filled within three (3) months.
- 4.2.6. The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve the Board subject to the Director’s re-designation as a Non-Independent Director. The Board may recommend and subject to obtaining the approval of the Company’s shareholders, retain an Independent Director who has served a cumulative term of nine (9) years as an Independent Director of the Company.
- 4.2.7. 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.
- 4.2.8. Under the two-tier voting process, shareholders’ votes will be cast in the following manner at the same AGM:
- **Tier 1:** Only the Large Shareholder of the Company to vote; and
  - **Tier 2:** Shareholders other than the Large Shareholders to vote.



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- a) The decision for the above resolution is determined based on the vote of Tier 1 and a simple majority of Tier 2. If there is more than one (1) Large Shareholder, a simple majority of votes determine the outcome of the Tier 1 vote.
  - b) The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution.
  - c) However, the resolution is deemed to be defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.
- 4.2.9. In any case, the tenure of an Independent Director shall be limited to not more than a cumulative period of 12 years from the date of such person's first appointment as an Independent Director in Company or any one or more of its related corporations.
- 4.2.10. The CEO and the executive Director(s) are the "Executive" Directors on the Board. However, the views of the Management are represented at meetings of the Board by the presence of senior executives when required.
- 4.2.11. The Independent Directors should help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.
- 4.2.12. The Board may appoint a senior Independent Director to whom shareholders' concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or the CEO have failed to resolve them.

### 4.3. **Appointments**

- 4.3.1. The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the Nomination Committee and Remuneration Committee (as defined below). 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.
- 4.3.2. The criteria for the recruitment or appointment (including re-election/re-appointment) of Director is guided by fit and proper assessment by the Nomination Committee based on the Company's Terms of Reference of the Nomination Committee and the Fit and Proper Policy.
- 4.3.3. Without limiting the generality of the foregoing, the qualifications for Board membership are:

- a) the ability to make informed business decisions and recommendations;
  - b) an entrepreneurial talent for contributing to the creation of shareholder value;
  - c) relevant experience in regional and/or international markets;
  - d) education and experience that provides knowledge of business, financial, governmental or legal matters that are relevant to the Group's business or to its status as a publicly owned company;
  - e) ability to ask probing operational related questions, high ethical standards, sound practical sense;
  - f) sufficient available time to be able to fulfil his/her responsibilities as a member of the Board and any of the Committees to which he or she may be appointed; and
  - g) total commitment to furthering the interests of shareholders and the achievement of the Group's goals.
- 4.3.4. 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.
- 4.3.5. The Board shall undertake an assessment of its Independent Directors annually.
- 4.3.6. The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed.
- 4.3.7. The Company shall provide induction to newly appointed Directors to communicate to them, the Group's vision and mission, its philosophy and nature of business, current issues within the Group, the corporate strategy and the expectations of the Group concerning input from Directors.
- 4.3.8. In addition to the Mandatory Accreditation Programme as required by Bursa Securities, Board members are also encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Group's operations and business. The Board will assess the training needs of the Directors and disclose in the annual report the trainings attended by the Directors.
- 4.3.9. The tenure of the Executive Directors is tied to their executive offices.

#### 4.4. **Re-election**

- 4.4.1. Directors who are appointed after an AGM shall retire at the next AGM and may offer themselves for re-election during that AGM.

#### 4.5. **Duty to Disclose Interest**

- 4.5.1. The Constitution stipulates that every Director who may have direct or indirect interest in any contract or proposed contract or arrangement, including interest in any competing business with the Company and/or Group, shall immediately declare his/her interest to the Board and shall not participate in deliberations and shall abstain himself/herself from casting his/her votes in any matter arising therefrom.
- 4.5.2. Should there be an actual, potential or perceived conflict of interest between the Group and a Director, or an associate of a Director such as a spouse, other family member, or a related company (as defined under Section 197 of the CA), the Director involved shall make full disclosure and act honestly in the best interest of the Group.
- 4.5.3. An actual, potential or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest has been made in good faith and due honesty.
- 4.5.4. Details of the disclosure must be declared using the prescribed standard form set out in the Conflict of Interest Policy adopted by the Group and recorded in the minutes of the meeting at which the disclosure is made or the meeting held following the disclosure.

#### 4.6. **Board Processes**

- 4.6.1. The Board meets at least once every quarter to facilitate the discharge of their responsibilities. Members of the Management who are not Directors may be invited to attend and speak at meetings on matters relating to their sphere of responsibility.
- 4.6.2. Any Director may participate at a Board meeting or Committee meeting by way of telephone and video conferencing or by means of other communication equipment in which event such Director shall be deemed to be physically present at the meeting and shall be taken into account in ascertaining the presence of a quorum at the meeting.
- 4.6.3. All resolutions, attendance, transactions quorums and votes obtained through electronic means shall be deemed valid and effective unless it contravenes the requirements of relevant statutes and regulations.

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- 4.6.4. All Directors have the same right of access to all information and Senior Management within the Group whether collectively as a Board or in their individual capacity in furtherance of their duties and responsibilities as Directors.
- 4.6.5. The Management is responsible for providing the Board with the required information in an appropriate and timely manner. If the information provided by the Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.
- 4.6.6. As a best practice, the notice of each Board meeting together with the agenda and Board papers are to be circulated to all Directors at least one (1) week prior to the meeting. When there is a need to table a report, a brief précis of findings and/or recommendations shall be prepared.
- 4.6.7. Full Board minutes of each Board meeting are kept by the Company Secretary and are available for inspection by any Director during office hours.
- 4.6.8. If, on any matter discussed at a Board meeting, any Director holds views contrary to those of any of the other Directors, the Board minutes will clearly reflect this.
- 4.6.9. The Board as well as any Director is entitled to obtain independent professional advice relating to the affairs of the Group or to his/her responsibilities as a Director, subject to Paragraph 4.6.10 below.
- 4.6.10. If a Director considers such advice necessary for the discharge of his/her duties and responsibilities as Director and for the benefit of the Group, such Director shall obtain the Board's prior approval, and in seeking such advice, shall be required to comply with the following procedures:
- a) The request shall be made in writing to the Board;
  - b) The Director concerned shall prepare a detailed paper to be submitted to the Board, highlighting inter alia the purpose behind the request and the estimated costs for the advice; and
  - c) The Board shall deliberate on the said paper and at its absolute discretion determine if the Director concerned shall be permitted to seek independent professional advice. Should a request be denied, the Director concerned is entitled to have his/her views duly recorded.
- 4.6.11. The Board or the Director, as the case may be, shall ensure that so far as is practicable, the cost of the advice is reasonable. Provided that Paragraphs 4.6.9 to 4.6.10 are adhered to, the cost of the advice shall be reimbursed by the Group.

## **5. CHAIRMAN AND CEO**

5.1. The Group aims to ensure a balance of power and authority between the Chairman and the CEO with a clear division of responsibility between the running of the Board and the Group's business respectively. The positions of Chairman and CEO are separated and clearly defined.

### **5.2. Chairman**

5.2.1. The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman is responsible for:

- a) leading the Board in setting the values and standards of the Group;
- b) the balance of membership, subject to Board and shareholders' approval;
- c) maintaining a relationship of trust with and between the executive and non-executive Directors;
- d) ensuring the provision of accurate, timely and clear information to Directors;
- e) ensuring effective communication with shareholders and relevant stakeholders;
- f) arranging regular evaluation of the performance of the Board, its Committees and individual Directors;
- g) facilitating the effective contribution of non-executive Directors and ensuring constructive relations be maintained between executive and non-executive Directors; and
- h) leading the Board on its succession planning program for Board and Senior Management levels.

5.2.2. The Chairman is responsible for running the business of the Board to ensure that:

- a) all Directors are properly briefed on issues arising at Board meetings.
- b) sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion.
- c) the issues discussed are forward looking and focused on strategy.

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- 5.2.3. The Chairman ensures that every Board resolution is put to vote to ensure the will of the majority prevails and any concern or dissenting views expressed by any Director on any matter deliberated at meetings of the Board are adequately addressed and duly recorded in the relevant minutes of meetings.
- 5.2.4. The Chairman ensures that executive Directors will look beyond their executive functions and accept their full share of responsibilities on governance.
- 5.2.5. The Chairman will have no casting vote if two (2) Directors form a quorum at a particular meeting, or if there are only two (2) Directors competent to vote on the question at issue.

### 5.3. **CEO**

- 5.3.1. The CEO is the conduit between the Board and the Management in ensuring the success of the Group's governance and management functions.
- 5.3.2. The CEO, in association with the Chairman, is accountable to the Board for the achievement of the Group's mission, goals and objectives and the CEO is accountable to the Board for the observance of Management's limitations.
- 5.3.3. The CEO has the executive responsibility for the day-to-day operation of the Group's business.
- 5.3.4. The CEO implements the policies, strategies and decisions adopted by the Board.
- 5.3.5. All Board authorities conferred on the Management is delegated through the CEO and this will be considered as the CEO's authority and accountability as far as the Board is concerned.
- 5.3.6. Generally, the CEO 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 performance against and the analysis of management reports;
  - b) effectively overseeing the human resources of the Group with respect to key positions in the Group's hierarchy, determination of remuneration as well as terms and conditions of employment for Senior Management and issues pertaining to discipline;
  - c) assuring that the Group's corporate identity, products and services are of high standards and are reflective of the market environment;

- d) be the official spokesman for the Group and responsible for regulatory, governmental and business relationships;
- e) coordinating business plans with the business heads, coordinating management issues through the Board, and overseeing divisional function groups and cost containment process in consultation with the CFO and the regional office or head office of the Group;
- f) regularly reviewing the heads of divisions and departments who are responsible for all functions contributing to the success of the Group;
- g) assessing business opportunities which are of potential benefit to the Group;
- h) maintaining and facilitating a positive working environment and good employee relations;
- i) promoting a high degree of corporate governance and ethics across the Group;
- j) assisting in the selection and evaluation of Board members through the Nomination and Remuneration Committee (as defined below); and
- k) assisting 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.

## **6. INDEPENDENT DIRECTORS**

6.1. Independent Directors are those who have no direct or indirect pecuniary interest in the Group other than the remuneration for their services as members of the Board and Committees defined under Paragraph 1.01 of the MMLR.

### **6.2. Role**

6.2.1. The role of Independent Directors is to constructively challenge and help develop proposals on strategy including, inter alia:-

- a) to make independent assessment on 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, 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.

## **7. BOARD COMMITTEES**

7.1. The Board appoints the following Board Committees:

7.1.1. Audit Committee ("AC")

7.1.2. Nomination Committee ("NC")

7.1.3. Remuneration Committee ("RC")

7.1.4. Governance, Risk and Sustainability Committee ("GRSC")

7.2. Independent and non-executive Directors play a leading role in these Committees. The Management and third parties are co-opted to the Committees as and when required. Details of the memberships of the AC, NC, RC and GRSC appointed by the Board are published in the annual report whereas the terms of reference of the AC, NC, RC and GRSC are published on the Company's website.

### **7.3. Audit Committee ("AC")**

7.3.1. The AC assists and supports the Board's responsibility of overseeing the Group's operations by providing a means for review and monitoring of the integrity of the Group's financial reporting process and its audit process. as well as such other matters that may be specifically delegated to the AC by the Board from time to time.

7.3.2. The Board shall require the Management to conduct a yearly risk-based review of such corruption risk procedures and ensure that any weaknesses, if discovered, are remediated. The review shall be dealt with by the AC and Board in their meeting respectively.

7.3.3. Further details on the duties of the AC are contained in the committee's terms of reference.



**7.4. Nomination Committee ("NC")**

- 7.4.1. The NC oversees matters related 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 Committee and the contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.
- 7.4.2. The NC also reviews and recommends to the Board corporate governance principles to be implemented for the Group, in compliance with the MCCG.
- 7.4.3. Further details on the duties of the NC are contained in the committee's terms of reference.

**7.5. Remuneration Committee ("RC")**

- 7.5.1. The RC is responsible for recommending to the Board the remuneration policies, principles and the framework for the Company's Directors and Senior Management.
- 7.5.2. The remuneration of Executive Directors shall be recommended by the RC with the individual Director concerned abstaining from discussing his/her individual remuneration. The amount of remuneration payable shall be determined with reference to corporate and individual performance of Executive Directors.
- 7.5.3. Further details on the duties of the RC are contained in the committee's terms of reference.

**7.6. Governance, Risk & Sustainability Committee ("GRSC")**

- 7.6.1. The GRSC assists and supports the Board's responsibility of overseeing:
  - a) matters of the Group with regards to governance, risk management, and sustainability;
  - b) the Group's compliance with legal and regulatory matters;
  - c) the Group's compliance with its own code of business conduct; and
  - d) any such other matters that may be specifically delegated to the GRSC by the Board from time to time.
- 7.6.2. The GRSC shall also assist the Board to ensure that the Group has adequate procedures in place to prevent Group from being involved in bribery and corruption.

- 7.6.3. Further details on the duties of the GRSC are contained in the committee's terms of reference.
- 7.7. The Committees shall operate under their respective terms of reference. The Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their charters. 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.
- 7.8. Although the Board has granted discretionary authority to these Committees to deliberate and decide on certain operational matters as set out in their respective terms of reference, the ultimate responsibility for final decision on all matters lies with the Board.

### **8. REMUNERATION OF DIRECTORS**

- 8.1. The Group aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Group 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.
- 8.2. The level of remuneration for the CEO and Executive Directors 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.
- 8.3. 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:
- 8.3.1. the compensation that is paid to Directors of other companies which are comparable in size to the Group;
  - 8.3.2. 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;
  - 8.3.3. the success of the Group (which may be reflected in compensation related to the price of the Company's shares);
  - 8.3.4. if a Committee on which a Director serves undertakes a special assignment, the importance of that special assignment to the Group and its shareholders; and
  - 8.3.5. the risks involved in serving as a Director and a member of Board Committees.
- 8.4. 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.

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- 8.5. Salaries and other emoluments payable to executive Directors pursuant to a service contract need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.
- 8.6. There is adequate disclosure in the annual report with a note on the remuneration of Directors.

### **9. ACCOUNTABILITY AND AUDIT**

#### **9.1. Financial Reporting**

- 9.1.1. 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.
- 9.1.2. The Board ensures that the annual and interim financial statements 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.
- 9.1.3. The Group's practice is to announce to Bursa Securities its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period.
- 9.1.4. The auditors' report shall contain a statement from the auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements.

#### **9.2. Group Auditors**

- 9.2.1. The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Group auditors through the AC.
- 9.2.2. The AC also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Group auditors. The AC ensures that the Group auditors do not supply a substantial volume of non-audit services to the Group.
- 9.2.3. Appointment of the Group auditors is subject to approval of shareholders at general meeting. The Group auditors have to retire during the AGM every year and be re-appointed by shareholders for the ensuing year.

**9.3. Internal Controls and Risk Management**

- 9.3.1. The Board has overall responsibility of maintaining a system of risk management and 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.
- 9.3.2. The Group has a well-resourced internal audit function, which critically reviews all aspects of the Group'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 audit function has direct access to the Board through the Chairman of the AC.
- 9.3.3. The Board ensures the system of internal controls and enterprise risk management are reviewed on a regular basis by the GRSC.
- 9.3.4. The AC receives reports regarding the outcome of such reviews on a regular basis.

**10. GENERAL MEETINGS****10.1. Annual General Meeting ("AGM")**

- 10.1.1. The Group regards the AGM as an important event in the corporate calendar of which all Directors and key senior executives should attend.
- 10.1.2. The Group regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective, transparent and regular communication with, and constructive feedback from, the Company's shareholders.
- 10.1.3. The Chairman encourages active participation by the shareholders during the AGM.
- 10.1.4. The Chairman and, where appropriate, the CEO responds to shareholders' queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.
- 10.1.5. To keep the media informed, the Group will disseminate copies of the annual report to all relevant press and may hold a press conference immediately following the AGM itself at which time the CEO will brief those present on details of the financial year results.

10.1.6. Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meetings.

## 10.2. **Extraordinary General Meeting (“EGM”)**

10.2.1. The Directors will consider requisitions by shareholders to convene an EGM or any other urgent matters requiring immediate attention of the Company.

## 11. **INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION**

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

11.2. 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.

11.3. The Group conducts 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 Group’s performance, corporate strategy and other matters affecting shareholders’ interests.

11.4. A press conference may be held after each general meeting. At this press conference, the Chairman and/or CEO and/or CFO and/or Senior Management will give a media briefing explaining the Group’s results, prospects and outline any specific event for notation. All press releases will be vetted by the CEO and/or CFO to ensure that information that has yet to be released to Bursa Securities is not released to the press.

11.5. The Group’s website provides easy access to corporate information pertaining to the Group and its activities and is continuously updated.

## 12. **RELATIONSHIP WITH STAKEHOLDERS**

12.1. In the course of pursuing the vision and mission of the Group, the Board recognises that no business organisation can exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

12.2. The Board is responsible for:

12.2.1. ensuring the Group’s strategies promote sustainability;

12.2.2. ensuring the rights of other stakeholders are not compromised;

12.2.3. ensuring the Group has in place a policy to enable effective communication not just with shareholders, but with all stakeholders;

12.2.4. establishing policies governing the Group's relationship with other stakeholders and the broader community; and

12.2.5. establishing and maintaining environmental, employment and occupational health and safety policies.

### **13. COMPANY SECRETARY**

13.1. The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognises the fact that the Company Secretary should be suitably qualified and capable of carrying out the duties required of the post.

13.2. 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.

13.3. Other primary responsibilities of the Company Secretary shall include:

- a) advising the Board on matters related to corporate governance and the MMLR;
- b) ensuring that Board procedures and applicable rules are observed;
- c) maintaining records of the Board and ensuring effective management of the Company's statutory records;
- d) preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded;
- e) assisting the communications between the Board and the Management;
- f) brief on the key requirements of a listed company to new directors and assist in director training and development;
- g) providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time; and
- h) preparing agendas and co-ordinating the preparation of Board papers.

### **14. APPLICATION**

14.1. The principles set out in this Board Charter are:

14.1.1. kept under review and updated as practices on corporate governance develop and further guidelines on corporate governance are issued by the relevant regulatory authorities; and

14.1.2. applied in practice having regard to their spirit and general principles rather than to the letter alone.

14.2. The Board endeavours to always comply with the principles and practices set out in this Board Charter.

## **15. ANNUAL PERFORMANCE EVALUATION OF THE BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTORS**

15.1. The Board, through the NC, will conduct an annual self-evaluation on its effectiveness as a whole, each individual Director and the different Committees established by the Board.

## **16. WHISTLE-BLOWING POLICY**

16.1. To enhance corporate governance practices across the Group, a whistleblowing policy was adopted which provides Directors, officers, 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 health or safety of any individual, public or employee, and any act of concealment of improprieties.

16.2. 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.

## **17. ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

17.1. The Board shall ensure a sustainable anti-corruption and anti-bribery programme be implemented in the Group, which includes compliance with the Anti-Bribery and Anti-Corruption Policy and assign adequate resources to implement the said programme.

## **18. CODE OF ETHICS**

18.1. The Board shall 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.

## **19. REVIEW OF BOARD CHARTER**

19.1. This Charter shall be periodically reviewed and may be amended by the Board as it deems appropriate.

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