

**KGW GROUP BERHAD**  
Registration No. 202201009353 (1455050-D)  
(Incorporated in Malaysia)

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**BOARD CHARTER**

**1. INTRODUCTION**

- 1.1 The Board of Directors (“Board”) of KGW Group Berhad (“KGW” or the “Company”) is committed to uphold the highest standard of corporate governance throughout the Company and its subsidiaries (collectively referred to as “Group”).
- 1.2 This Board Charter sets out the composition and balance, roles and responsibilities, operation and processes of the Board and is to ensure that all Board Members acting on behalf of the Company are aware of their duties and responsibilities as Board Members.
- 1.3 This Board Charter is subject to the provisions of the Companies Act 2016 (“CA 2016”), the Constitution of the Company, the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Malaysian Code on Corporate Governance 2021 (“MCCG 2021”) issued by Securities Commission Malaysia and any other applicable law or regulatory requirements.

**2. PURPOSE**

- 2.1 The Board of KGW shoulders the ultimate responsibility of determining the direction of the Group, thereby ensuring the long-term success of the Group and delivery of sustainable value to its stakeholders. The Board has primary responsibility for the governance and management of the Company and fiduciary responsibility for the financial and organisational health of the Company.
- 2.2 The Board Charter is designed to achieve the following objectives:
  - (a) To enable the Board to lead and manage the Company in an effective and responsible manner in the best interest of the Company;
  - (b) To provide awareness and clarity on the roles and responsibilities of the members of the Board and the manner in which the affairs of the Group are managed;
  - (c) To show good stewardship and act in a professional manner, as well as upholding the core values of integrity and enterprise with due regard to their duties and responsibilities as Board members.
  - (d) To ensure a balance of authority so that no single individual or group of Directors has unfettered powers; and
  - (e) To assist the Board in the assessment of its own performance and of its individual Directors.

### **3. BOARD STRUCTURE**

#### **3.1 Size and Composition**

The Group is led and managed by an effective and experienced Board comprising members with a wide range of experience and qualifications. The presence of the Independent Non-Executive Directors on the Board and in meetings ensures that decisions made by the Board remains objective and independent and that the interests of minority shareholders are addressed and are accorded with due consideration.

The Constitution of the Company provides for minimum of two (2) Directors and a maximum of twelve (12) Directors. At any one time, at least two (2) or one-third (1/3) of the Board members, whichever is the higher, shall be Independent Directors. Independent Directors shall have the meaning as defined under Rule 1.01 of the AMLR of Bursa Securities.

The Board is cognisant of the recommended practice under the MCCG 2021 that at least half of the Board should comprise Independent Directors.

The Board shall from time to time examine its size and composition to determine its appropriateness.

The Board recognises the need for the composition to reflect a range of skill mix and expertise. High levels of professional skills and appropriate personal qualities are pre-requisite for directorships. Without limiting the generality of the foregoing and to qualify for Board membership, members must have the ability to make informed business-relevant recommendations, entrepreneurial talent for contributing to the creation of shareholders' value, perspectives to understand current emerging issues of the Group's business, inquisitive, highly ethical, and unreserved commitment to furthering the interests of shareholders and other stakeholders in the pursuit of achieving the Company's goals.

#### **3.2 Nomination and Appointments**

The members of the Board are appointed in a formal and transparent process whereby the Nomination and Remuneration Committee ("NRC") is responsible to:

- (a) identify candidates suitably qualified to become Board members including Independent Directors; and
- (b) make recommendations to the Board of such individuals for appointment.

The Board will assess the shortlisted candidates and arrive at a decision on the appointment of the Director. The Company Secretary will ensure that all appointments are properly made, and all legal and regulatory obligations are satisfied and complied.

In making the recommendation to the Board, the NRC will consider the required mix of skills, experience, character, integrity, competence, time commitment and diversity, where appropriate, which the new Director can bring to the Board. The Board may utilise independent sources to identify a suitably qualified candidate.

All Board members shall notify the Chairman of the Board before accepting any new directorship in other public listed companies. The notification shall include an indication of the time that will be spent on the new appointment. The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company. Each Board member shall not hold directorships at more than five (5) public listed companies.

Upon appointment, new Directors are provided with comprehensive information on the Group to enable them to gain a better understanding of the Group's strategies and operations, and hence allow them to effectively contribute to the Board.

In the event of any vacancy in the Board, resulting in non-compliance with the Rule 15.02 (1) of the AMLR of Bursa Securities, the Company must fill the vacancy within three (3) months.

### **3.3 Directors' Fit and Proper Policy**

All Board members are required to have the necessary qualities, competencies and experience that allows them to perform their duties and carry out the responsibilities required of the position in the most effective manner.

The fit and proper assessment on any person identified to be appointed as a Director or to continue holding the position as a Director within the Group shall be conducted prior to the initial appointment or proposed re-election as a Director.

### **3.4 Re-election**

Pursuant to the Company's Constitution, an election of Directors shall take place each year at the annual general meeting of the Company where one-third (1/3) of the Directors for the time being, or, if the number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office provided always that all Directors shall retire from office once in each three (3) years but shall be eligible for re-election.

The Directors to retire in every year shall be the Directors who have been longest in office since their last election, but as between those who became Directors on the same day, the Directors to retire shall (unless they otherwise agree among themselves) be determined by lot.

Any Director appointed by the Board during the financial year shall hold office until the next annual general meeting of the Company and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

The independence of each Director is reviewed annually, and individual Directors do not participate in assessing their own independence.

### **3.5 Tenure of Independent Director**

The tenure of an Independent Director should not exceed a cumulative term of nine (9) years or such other period as may prescribed under the AMLR. Upon completion of nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director.

If the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Under the two-tier voting process, the shareholders' votes will be cast in the following manner at the same shareholders meeting:

- Tier 1: Only the Large Shareholder(s) of the Company votes; and
- Tier 2: Shareholders other than Large Shareholders votes.

"Large Shareholder(s)" means a person who:

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

The decision for the resolution is determined based on the vote of Tier 1 and a simple majority of Tier 2. If there is more than one Large Shareholder, a simple majority of votes determine the outcome of the Tier 1 vote.

The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution. 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. ROLES AND RESPONSIBILITIES**

### **4.1 The Board**

The Board takes full responsibility for the performance of the Company and guides the Company towards achieving its short and long-term objectives, setting corporate strategies for growth and new business development while providing advice and direction to the Management to enable the Company to achieve its corporate goals and objectives.

A Director shall always exercise his powers in good faith in the best interest of the Company and shall act honestly and use reasonable care, skill and diligence in the discharge of the duties of his office and shall not make use of any information acquired by virtue of his position to gain directly or indirectly an improper advantage for himself or for any other person or to cause detriment to the Company.

A Director shall always avoid conflicts of interest and shall as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his 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 expediently to enable the Company and its officers to comply with the requirements of the CA 2016.

The Board has the following key responsibilities:

- Review and approve the corporate plan for the Group;

- Review and approve strategic initiatives including corporate business restructuring or streamlining and strategic alliances, to ensure that they support long-term value creation and take into account economic, environment and social considerations underpinning sustainability;
- Oversee the conduct of the Group's businesses to evaluate whether the businesses are being properly managed and monitor their implementation;
- Promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- Review, challenge and decide on Management's proposals for the Company, monitor its implementation by the Management;
- Assess and identify the principal risks of the Group's business and ensuring the implementation of appropriate systems to manage these risks;
- Set the risk appetite within which the Board expects Management to operate, and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- To ensure that the Company has effective Board Committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by MCCG 2021;
- To appoint the Board Committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by the Board Committees and deliberate on the recommendations thereon;
- Approve the nomination, appointment and remuneration packages for the Board members;
- Approve the appointment, resignation or removal of Company Secretaries of the Company;
- Oversee the development and implementation of investor relations programme for the Group, where necessary;
- Review the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines (including the securities laws, CA 2016, and AMLR);
- Review and approve the quarterly reports and annual financial statements;
- Review and approve the Annual Report;
- Review and approve the capital expenditure, purchase of fixed assets, operating expenditure, variation order and any other matters in accordance with the Authority Limits set by the Company ;
- Approve the appointment of external auditors and fix their related audit fees; and
- Ensure the integrity of the Company's financial and non-financial reporting.

The Board is also mindful of the importance of building a sustainable business, and therefore takes into consideration the environmental, social and governance impact when developing the corporate strategy of the Group. The Board also ensures that the Company participates and undertakes activities in corporate social responsibilities.

#### **4.2 Matters Reserved for the Board**

To ensure that the direction and control of the Group are firmly in its hands, the matters reserved for the Board's decision are as follows:

- Approval of corporate plans and strategies;
- Approval of annual budgets, including significant capital expenditures/commitments;
- Approval of strategic investments, divestments, mergers and acquisitions and corporate exercises;

- Approval of material acquisitions and disposals of assets not in the ordinary course of business; and
- Changes to the organisation structure within the Group, including key policies and delegated authority limits.

#### **4.3 Separation of Functions between the Chairman of the Board and Chief Executive Officer (“CEO”) or Managing Director**

The roles of the Chairman and Managing Director are distinct. The distinct and separate roles of the Chairman and Managing Director, with a clear division of responsibilities, ensures a balance of power and authority, such that no one individual has unfettered powers of decision-making.

The responsibilities of the Chairman should include leading the Board in its collective oversight of management, while the Managing Director focuses on the business and day-to-day management of the Company.

#### **4.4 Role of the Chairman of the Board**

The Chairman is elected by the Board, he will preside at all Board meetings and general meetings of the Company and is responsible for instilling good corporate governance practices, leadership and the effectiveness of the Board. The Chairman of the Board will ensure that procedural rules are followed in the conduct of meetings and that decisions made are formally recorded and adopted.

The responsibilities of the Chairman of the Board include, inter alia:

- providing leadership to the Board and oversee the Board in the effective discharge of its duties
- setting the Board agenda and ensure the Board members receive complete and accurate information in a timely manner;
- leading discussions at meetings and ensure efficient and effective conduct of the Board’s function and meetings;
- leading the Board in the adoption and implementation of good corporate governance practices in the Company;
- to facilitate the effective contribution of all Directors at Board meetings;
- promoting constructive and respectful relations among the Directors and manage the interface between the Board and Management;
- encouraging active participation and allowing dissenting views to be freely expressed; and
- ensuring effective communication with shareholders and stakeholders and their views are communicated to the Board as a whole.

#### **4.5 Role of Managing Director (“MD”)**

The MD, who is also member of the Board, holds the primary executive responsibility for the Group’s business performance and manages the Group in accordance with the strategies and policies approved by the Board.

He is responsible for the day-to-day operations of the Group, within the authorities as delegated by the Board. The primary job tasks for the MD, amongst others, are as follows:

- focuses on the business and leads the senior management of the Company in making and implementing the day-to-day decisions on the business operations, managing resources and risks in pursuing the corporate objectives of the Group;
- to develop and implement long-term corporate strategic and short-term profit plans for the Group;
- to ensure the efficiency and effectiveness of the Group's operations to achieve the Group's requirements for growth, profitability and return on capital are achieved;
- to assess the business opportunities which have potential benefit to the Group;
- to bring material and other relevant matters to the attention of the Board in an accurate and timely manner;
- be the official spokesperson for the Company and responsible for regulatory, governmental and business relationships;
- ensure the Group's financial reports present a true and fair view of the Group's financial condition; and
- to carry out other duties and responsibilities as may be delegated by the Board.

In the absence of the MD, the ED who is fully acquainted with the running of the Company's day-to-day affairs shall be the person responsible for the overall running of the Company.

#### **4.6 Role of the Executive Director**

The key responsibilities of the Executive Director are to:

- develop strategic direction of the Group;
- ensure Board decisions are implemented and Board directions are responded to;
- provide directions in the implementation of short and long-term business plans;
- provide strong leadership i.e. effectively communicating a vision, management philosophy and business strategy to the employees;
- keep the Board fully informed of all important aspects of the Group's operations and ensure sufficient information is distributed to Board members; and
- ensure day-to-day business affairs of the Group are effectively managed.

#### **4.7 Role of the Independent Directors**

The Independent Directors are non-executive directors of the Company. They are independent of management and free from any significant business or other relationship with the Company and the Group which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company. Hence, they can provide an unfettered and independent judgement and promote good corporate governance in their role as Independent Directors.

Without limiting the generality of the foregoing, an Independent Director is one who:

- (a) is not an ED of the Company or any related corporation (each corporation is referred to as the "said Corporation");
- (b) is not, and has not been within the last three (3) years, an officer (except as an Independent Director) of the said Corporation. For this purpose, "officer" has the meaning given in Section 2 of the CA 2016;
- (c) is not a major shareholder of the said Corporation;
- (d) is not a family member of any ED, officer or major shareholder of the said Corporation;

- (e) is not acting as a nominee or representative of any ED or major shareholder of the said Corporation;
- (f) 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; or
- (g) 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.

The Board has adopted a definition of “independent” setting out the interests and relationships to be considered by the Board in assessing the independence of each director in accordance with Rule 1.01 of the AMLR of Bursa Securities.

An Independent Director shall also make an annual declaration of his independence and the NC would assess his/her independence and report to the Board accordingly.

The Independent Director constructively challenges the decisions proposed by other Board members and contribute in meaningful ways to the strategic objectives and stewardship of companies. The role of the Independent Directors include, inter alia:

- making an independent assessment of the information, reports or statements, having regard to the directors’ knowledge, experience and competence, to provide an independent view and demonstrate objectivity in reviewing and challenging the management’s proposals at meetings;
- devoting 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 the Board deliberations; and
- acting 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.

#### **4.8 Role of the Senior Independent Non-Executive Director ("SID")**

The Board may appoint a SID to act as an additional safeguard and to serve as a fallback point of contact for investors and shareholders when the normal channel of communication is considered to be inappropriate or inadequate.

The SID shall be nominated from amongst the Independent Non-Executive Directors. The NC shall make its recommendation to the Board for approval of the proposed appointment of the SID for such other term as may be determined by the Board.



The SID shall have specific responsibilities which include, to:

- ensure all Independent Non-Executive Directors have the opportunity to provide input on agenda and advise the Chairman on quality, quantity and timeliness of the information submitted by the Management that is necessary or appropriate for the Independent Non-Executive Directors to perform their duties effectively;
- consult the Chairman regarding Board meeting schedules to ensure the Independent Non-Executive Directors can perform their duties responsibly and with sufficient time for discussion of all agenda items;
- 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 Chairman or MD or CEO;
- serve as the principal conduit between the Independent Non-Executive Directors and the Chairman on sensitive issues; and
- receive report(s) made by employees, shareholders or external parties/other stakeholders for the purpose of whistleblowing in the form as prescribed under the Whistleblowing Policy and Procedures of the Group, and thereafter submit the same to the AC Chairman with an opinion as to whether the report is frivolous or vexatious based on alleged facts.

#### **4.9 Board Committees**

Board Committees will be formed only when it is necessary to facilitate efficient decision-making.

Board Committees will observe the same rules of conduct and procedure as the Board unless the Board determines otherwise in a separate Terms of Reference. Board Committees will only speak or act for the Board when so authorised.

The Board has established the following Board Committees, each with clearly defined Terms of Reference detailing the Board Committees' authorities, roles and responsibility in order to enhance business and corporate efficiency and effectiveness:

- i) AC;
- ii) NRC; and
- iii) Sustainability and Risk Management Committee.

The Chairman of the respective Board Committees shall report to the Board on the key issues deliberated by the Board Committees at the Board meetings.

#### **5. BOARDROOM DIVERSITY POLICY ("BD POLICY")**

This BD Policy pursues to record, more formally, the Company's policy on Board diversity and to recognise the recommendation of the MCCG 2021.

The Company recognises and embraces the benefits of having diverse Board and see increasing diversity at Board level as an essential element in maintaining competitive advantage.

The Group strictly adheres to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, which includes the selection of Board members. The Board encourages a dynamic and diverse composition of members by nurturing

suitable and potential candidates equipped with competency, skills, experience, good character, time commitment, integrity and other qualities in meeting the future needs of the Company.

The Board is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board.

The selection of candidates will be based on a range of diverse perspectives, including but not limited to professional experiences, business experiences, skills, knowledge, gender, age, ethnicity and educational background. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Board considers that the concept of diversity incorporates several different aspects:

(a) Board Mix

The Board shall include a balanced composition of Executive and Non-Executive Directors to promote a strong element of independence in the Board. The Independent Non-Executive Directors shall be of sufficient calibre and standing, for their views to carry weight.

(b) Skills and Experience

The Board shall possess a balance of appropriate skills for the requirements of the business of the Company. The Directors shall have a mix of professional backgrounds which when working in synergy, could provide the Company with considerable experience in a wide range of activities.

(c) Gender

The Board takes cognisance of the recommendation of MCCG 2021 to have at least 30% women directors. The Company shall endeavour to increase female representation on the Board if there are appropriate candidates available when Board vacancies arise.

(d) Ethnicity/Nationality

The Board recognises that as today's world becomes increasingly global in its outlook and as the marketplace becomes increasingly global in nature, ethnic diversity in the boardroom would be encouraged as it provides advantages that can help a company prosper inclusive but not limited to sharing of knowledge in different markets to enhance the Group's global presence as well as sharing of viewpoints by Directors from different ethnic background as when a variety of viewpoints are thrown into the problem-solving mix, new and innovative solutions can be reached. The Board aspires to have members of different nationality or ethnic backgrounds who can contribute their knowledge and understanding of the business, industry and environment.

(e) Age

The Board is fully committed to promote age diversity, valuing the contribution of its members regardless of age, and seeks to eliminate age stereotyping and discrimination.

## **6. DISQUALIFICATION OR VACATION OF OFFICE**

The office of a Director shall become vacant if the Director:

- (a) becomes bankrupt and a receiving order in bankruptcy is made against him during his term of office or he makes any arrangement or composition with his creditors;
- (b) resigns his office by giving a written notice to the Company at the registered office;
- (c) has retired in accordance with the CA 2016 or the Company's Constitution but is not re-elected;
- (d) is removed from office in accordance with the CA 2016 or the Company's Constitution;
- (e) becomes disqualified from being a director under the CA 2016 and the AMLR;
- (f) has been convicted of an offence relating to the promotion, formation or management of a corporation;
- (g) has been convicted of any offence involving bribery, fraud and dishonesty;
- (h) has been convicted of an offence under Sections 213, 217, 218, 228 and 539 of the CA 2016;
- (i) has been disqualified by the Court under Section 199 of the CA 2016;
- (j) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
- (k) dies;
- (l) is absent from more than 50% of the total Board meetings held during a financial year, unless an exemption is sought and obtained from the Bursa Securities; or
- (m) has been convicted by a court of law of an offence under the securities laws.

## **7. DIRECTORS' TRAINING**

In addition to the Mandatory Accreditation Programme as required by Bursa Securities, the Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors.

The Board must on a continuing basis evaluate and determine the training needs of each Director and ensure Directors have access to continuing education programme.

## **8. COMPANY SECRETARY**

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.

The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.

The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company. The Company Secretary through the Chairman plays an important role in good governance by helping the Board and its Committees function effectively and in accordance with their Terms of Reference and best practices.

All Board members shall have unlimited access to the advice and services of the Company Secretary and may request information and documents relating to the Company from the Company Secretary for the purposes of the Board's affairs and the business.

## **9. BOARD MEETINGS AND PROCEDURES**

### **9.1 Board Meetings**

The Board shall meet at least four (4) times in a financial year, with additional meetings may be called at any time as and when necessary. The Board's annual meeting calendar is prepared and circulated to Directors before the beginning of each year. It provides the scheduled dates for meetings of the Board and Board Committees, annual general meeting as well as the closed period for dealings in securities by Directors based on the targeted date of announcement of quarterly results of the Group.

The Board may invite external parties such as internal auditors, external auditors, solicitors or consultants as and when the need arises.

### **9.2 Notices of Meetings**

Prior to each Board meeting, the notices and agenda for each meeting together with the reports containing information relevant to the business of the meeting are to be circulated to the Board members seven (7) days before the meeting date to provide sufficient time for the Board members to read and deliberate the issues. Shorter notices may be given for the matters requiring urgent attention.

### **9.3 Quorum**

The quorum for a Board meeting shall be two (2) Directors.

A duly convened meeting of a Board at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions vested in or exercisable by the Board.

#### **9.4 Meeting Mode**

A member of the Board, or a committee of the Directors, may participate in a meeting of the Board or the committee of the Directors by means of a video conferencing, telephone or other electronic and communication facilities which allows all persons participating in the meeting to hear each other. A participant shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly notwithstanding the fact that he is not physically present at the venue where the meeting is to be held. The meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

The Directors may also exercise its deliberation and voting via a circular resolution.

A resolution in writing signed or approved by a majority of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted and may consist of several documents in like form each signed by one or more Directors or their alternates and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the minutes book of board proceedings. The expressions of "in writing" or "signed" include approval by any such Director by letter, telefax, electronic mail or any form of electronic approval or electronic signature or digital signature via software, electronic devices or other means of telecommunication apparatus or devices approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors

#### **9.5 Voting**

Each member of the Board is entitled to one (1) vote in deciding the matters deliberated at the meeting or via circular resolution. The decision that gained the majority votes of the Board shall be the decision of the Board. In the event of an equality of votes at the meeting, the Chairman of the Board shall have the casting vote.

A Director who is in any way, whether directly or indirectly, interested in a contract entered into or proposed to be entered into by the Company shall be counted only to make the quorum at the Board meeting but shall not participate in any discussion while the contract or proposed contract is being considered at the Board meeting and shall not vote on the contract or proposed contract. Any Director who has a direct or indirect interest shall abstain himself/herself from deliberation and voting on the relevant matter/resolution at the meeting.

#### **9.6 Meeting Minutes**

The minutes prepared by the Company Secretary memorialise the proceedings of all meetings, including the tabling of pertinent issues, the substance of inquiry and response, Board members' suggestions and the decisions made, including whether any Director abstained from voting or deliberating on a particular matter, as well as the rationale behind those decisions.

Minutes of meetings are circulated to all Directors on a timely basis for review and thereafter, for confirmation at next meetings. The signed minutes are properly kept by the Company Secretary.

**10. ACCESS TO INFORMATION AND INDEPENDENT PROFESSIONAL ADVICE**

The Directors have unrestricted access to all information pertaining to the Company and the advice and services of the Company Secretary and Senior Management within the Group in a timely manner for the discharge of its duties effectively.

In addition, the Directors, collectively or individually, with the consent of the Chairman of the Board, may seek independent professional advice at the Company's expense and within a reasonable cost to enable the Directors to discharge their duties with adequate knowledge on the matters being deliberated.

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

**11. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT**

The Board, through the Remuneration Committee, has established formal and transparent remuneration policies and procedures to determine and approve 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 Directors and Senior Management.

The remuneration of the Directors and Senior Management is structured to link rewards to their corporate and individual performance. The Board will determine the level of remuneration, taking into consideration the recommendations of the Remuneration Committee.

The fees and any benefits payable to the Directors (including any compensation for loss of employment of the Director or any former Director) or any increase thereof shall from time to time be determined by an ordinary resolution of the Company in general meeting.

The fees of the Non-Executive Directors shall be a fixed sum and not by a commission or percentage of profits or turnover, and such fee shall be divided amongst the Non-Executive Directors as they shall determine or failing agreement, equally.

The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of the Directors of the Company.

The Directors concerned shall abstain from deliberation and voting on their own respective remuneration.

**12. CODE OF CONDUCT AND ETHICS**

The Directors are to maintain the highest degree of integrity and professionalism while at the same time promoting transparency and accountability in their actions.

The Company has in place “Code of Conduct and Ethics” which is formulated to enhance the standard of corporate governance and behaviour through:

- a) Establishing standards of ethical conduct for Directors based on acceptable beliefs and values;
- b) Upholding the spirit of social responsibility and accountability in line with the legislations, regulations and guidelines governing the Company and the Group; and
- c) Documenting and emphasising to the Directors, the integral obligation of each Director in performing his/her duty, to act in a manner that is lawful, honest, ethical and free from any conflict of interest or perceived conflict of interest.

### **13. ANTI-BRIBERY AND CORRUPTION POLICY (“ABC POLICY”)**

The ABC Policy applies to all Directors, employees (including probationary, contract, permanent, project, and temporary) and any other person or persons associated with the Group as detailed in the ABC Policy. They are expected to carry out their duties with the utmost integrity, grounded on sound moral and ethical principles.

The Board will review the ABC Policy periodically to ensure its effectiveness and consistency with the governing legislation and regulatory requirements. This ABC Policy is published on the Company’s website.

### **14. WHISTLEBLOWING POLICY AND PROCEDURES**

The Company is committed to ensure its business and operations are conducted in an ethical, moral and legal manner. In line with this commitment, the Company has put in place the Whistleblowing Policy and Procedures to provide an avenue for all staff, interns, consultants, contractors, vendors, suppliers and/or customers to disclose any alleged illegal, unethical, questionable practices or improper conduct committed or about to be committed within the Group. The disclosures shall be treated in strict confidence and without any risk of reprisal.

The Board will review the Whistleblowing Policy and Procedures periodically and it is published on the Company’s website.

### **15. RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS**

The Board values the importance of timely and equal dissemination of information on major developments of the Group to the shareholders, potential investors and the general public. Quarterly results, announcements, annual reports, circulars and press release serve as primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group’s progress and developments. The Company’s corporate website serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news and events relating to the Group.

The Board will maintain an effective communications policy that enables both the Board and Management to communicate effectively with shareholders and the general public.

The Board will ensure that the general meetings of the Company are conducted in an efficient manner and serve as a platform for shareholders' communications. These include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the general meetings.

The annual general meeting is the principal forum for communication with shareholders. The notices of the annual general meeting and annual reports are sent out to shareholders at least twenty-one (21) days, or if the circumstances allow, at least twenty-eight (28) days before the date of annual general meeting. During the annual general meeting, shareholders are accorded time and opportunities to raise questions on the resolutions being proposed and also matters relating to the performance, developments and directions of the Group. Shareholders are also invited to convey and share their inputs with the Board. Where applicable, the Board will also ensure that each item of special business that is included in the notice of meeting is accompanied by a written explanation of that resolution and its effects to facilitate the understanding and evaluation of it.

## **16. ACCOUNTABILITY AND AUDIT**

### **16.1 Financial Reporting**

The Board aims to present a clear and balanced assessment of the Group's financial position and prospects that extends to the annual and quarterly reports.

The Board ensures that the annual and interim financial statements are prepared to give a true and fair view of the current financial status and state of affairs of the Group and of the Company in accordance with the approved accounting standards. The AC plays an important role in scrutinising the financial statement and ensuring compliance with the applicable financial reporting standards and the CA 2016 before recommending the financial statements to the Board for approval.

### **16.2 External Auditors**

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 external auditors through the AC.

The AC will review the scope and results of the audit and its cost-effectiveness and the independence and objectivity of the external auditors of the Company. The AC will also ensure that the external auditors do not render a substantial volume of non-audit services to the Company.

Reappointment of the external auditors is subject to the approval of shareholders at a general meeting.

## **17. REVIEW OF BOARD CHARTER**

This Board Charter shall be periodically reviewed and updated by the Board taking into consideration the needs of the Group as well as any development in rules and regulations that may have an impact on the discharge of the Board's duties and responsibilities.

**END.**