



KNUSFORD BERHAD

BOARD CHARTER

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Foreword

The Board of the Company is responsible for the overall corporate governance of Knusford Berhad, including its ethical behaviour, strategic direction, establishing goals for management and monitoring the achievement of these goals with a view to optimising Company performance, maximizing shareholder value and safeguarding the stakeholders' interest.

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. The management shall support the Managing Director and Chief Executive Officer and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

The responsibility for the operation and administration of the Group of Companies is delegated by the Board to the Managing Director and Chief Executive Officer. All Board members are responsible to the Company for achieving a high level of good corporate governance.

This Board Charter shall constitute and form an integral part of each Director's roles and responsibilities.

1.0 OBJECTIVES

The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their roles 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 Company.

This Board Charter is not an "all inclusive" document and should be read as a broad expression of principles of good corporate governance. The Board Charter will be reviewed on a periodic basis and may be amended by the Board from time to time.

2.0 ROLES AND RESPONSIBILITIES

2.1 Role of Board

- 2.1.1 The Board is responsible for the proper stewardship of the Company and its subsidiaries (collectively referred as "Group"). Hence, the Board should collectively have sound and sufficient knowledge, and expertise to enable effective governance and oversight.

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 the best interest of the Group. The Directors are, collectively and individually, aware of their responsibilities to the shareholders and stakeholders for the manner in which the affairs of the Company 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.

The Board is guided by the Directors' Code of Ethics in discharging its oversight role effectively. The Code of Ethics requires all Directors to observe high ethical business standards, honesty and integrity, and to apply these values in all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its shareholders.

- 2.1.2 Board understands that the responsibility for good corporate governance rests with them and therefore strives to follow the principles and recommendations stated in the Malaysian Code on Corporate Governance 2017 (“MCCG”), together with senior management, promoting the good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.
- 2.1.3 The Board has established written procedures (such as the Delegation of Authority Table, Memorandum & Articles of Association of the Company, and other documents) to determine which issues require a decision of the full Board and which issues can be delegated to Board Committees or the Management.
- 2.1.4 The Board establishes the corporate vision and mission, as well as the philosophy of the Company.
- 2.1.5 Reviewing and adopting a strategic plan for the Group;
- Review, challenge and approve Management’s proposal on a strategic plan for the Group;
 - Ensure that the strategic plan of the Group supports long term value creation and includes strategies on economic, environment and social considerations underpinning sustainability; and
 - Monitor the implementation of the strategic plan by Management.
- 2.1.6 Supervise and assess management performance to determine whether the business is being properly managed; the Board must ensure that there are measures in place against which management’s performance can be assessed.
- 2.1.7 Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures.
- Ensure there is a sound framework for internal controls and risk management;
 - The Board oversees, reviews and monitors the operation, adequacy and effectiveness of Group’s system of internal controls;
 - The Board must understand the principal risks of all aspects of the Company’s business and recognise that business decisions involve the taking of appropriate 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;
 - The Board oversees, reviews and monitors the operation, adequacy and effectiveness of Group’s system of internal controls;
 - The Group has outsourced its internal audit function, which critically reviews all aspects of the Group’s activities and its internal controls. Comprehensive audits of the business processes practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken on a regular basis; and
 - The Board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of these frameworks.

2.1.8 Succession planning.

The Board should ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and senior management.

2.1.9 Board should ensure that the Group has in place procedures to enable effective communication with stakeholders. The Board responsible to provide accurate and timely information to our shareholders about our performance and to make clear disclosures to all our public reports and announcements.

2.1.10 Internal control

Reviewing the adequacy and the integrity of the management information and internal controls system of the Group.

- Ensure that there is a sound framework of reporting on internal controls and regulatory compliance;
- Monitor compliance with established policies and procedures;
- Review the efficiency and quality of the Group's financial reporting process and system of accounting and internal controls;
- Ensure the integrity of the Group's financial and non-financial reporting; and
- The Board oversees the Group's policies as a whole which includes the Code of Conduct of Directors and senior management. The Code of conduct promotes ethical values and standards in the workplace while ensuring appropriate internal systems are in place to support, promote and ensure its compliance.

2.1.11 Sustainability

- Reviewing the effectiveness of Group's strategies, policies, principles and practices relating to sustainability, including whether these strategies, policies, principles and practices promote the Group's sustainability agenda.
- Approving the Group's Sustainability Reporting.

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

- Conflict of interest issues relating to a substantial shareholder or a Director.
- Approving major capital expenditure, capital management and acquisitions/divestitures.
- Material acquisition and disposition of assets not in the ordinary course of business
- Investments in capital projects
- Authority levels.
- Treasury policies and bank mandate.
- Risk management policies.
- Contentious issues

2.1.13 The matters listed in Appendix 6 are reserved for the collective decision of the Board.

2.2 Role of Individual Directors

2.2.1 Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities. Broadly these include: -

- Acting in good faith and in the best interests of the Group as a whole;
- Acting with care, skill and diligence and for proper purpose;
- Avoiding conflict of interest with the Group in a personal or professional capacity save as those disclose in the Circulars approved by shareholders in relation to the shareholders' mandate and additional mandate for recurrent related party transaction of a revenue or trading nature. Disclosure of and abstaining from voting on matters of material personal interest;
- Refraining from making improper use of information gained through the position of a director and from taking improper advantage of the position of director;
- Directors will keep all Board information, discussions, deliberations and decisions that are not publicly known to be confidential and not use information gained through the Board for their own personal interest, or their employers' interest;
- Exercising greater vigilance and professional scepticism in understanding and shaping the strategic direction of the Company and/or Group;
- Compliance with Company Act, securities legislation and MMLR;
- Every Director shall devote sufficient time to prepare for and attend Board and Board Committee meetings, attend Directors' continuous training programme and briefings; and
- Every Director must keep abreast of his responsibilities as a Director and of the conduct, business activities and development of the Group.

2.3 Role of Independent Director

2.3.1 To execute their role, Independent Directors, have similar responsibilities to those of other directors. The fiduciary duties of care, diligence and acting in good faith apply equally to Independent Directors as to other directors. In view of faith imposed on them by various agencies they are more bound to execute their functions with impartiality.

2.3.2 It is necessary for the Independent Directors to:

- Prepare themselves thoroughly for the meeting;
- Be objective in forming sound decisions relating to the Company and its business;
- Be open minded, free and frank in expressing their opinions and at the same be willing to engage in meaningful debates;
- Be committed to decisions made as a Board;
- Continuously seek information both within and if required outside professional knowledge to keep abreast with the latest developments in the areas on the Company's operations;
- Be informed on laws and regulations influencing their functioning as directors;
- Utilise the expertise they possess to the good advantage of the Company; and
- The most important role that Independent Directors play directly in relation to the Board is the objective view that they bring to deliberations while evaluating the Board's and the management's decisions, and creating a balance in the interest of the shareholders.

2.4 Role of Chairman

2.4.1 The Chairman leads the Board and is responsible for the effective performance of the Board.

2.4.2 The Chairman is responsible for:

- Leading the Board by instilling good corporate governance practices. Strive to comply with all the principles and recommendations set out in MCCG.
- Leading the Board in setting the values and standards of the Group.
- Maintaining a relationship of trust with and between the Executive and Non-Executive Directors.
- Ensuring the provision of accurate, timely and clear information to Directors.
- Ensuring effective communication with shareholders and relevant stakeholders.
- Arranging evaluation of the performance of the Board, its Committees and individual Directors.
- Facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors.
- Facilitating the on-going development of all Directors.

2.4.3 The Chairman ensures orderly conduct and proceedings of the Board and general meetings and is responsible for managing the business of the Board to ensure that:

- All Directors are properly briefed on issues arising at Board meetings.
- 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's discussion.
- The issues discussed are forward looking and concentrate on strategy.
- Should the Chairman be absent from a meeting, the members of the Board present at the meeting, may choose one of the Board members to chair the said meeting.

2.4.4 The positions of Chairman and CEO are held by different individuals.

2.5 Role of Managing Director ("MD")

2.5.1 The MD ensures that business and investment proposal presented by CEO / Head of Departments ("HODs") are fully deliberated and examined. MD perform the assessment and appropriate judgment which takes into account of the interest of the Group and all its stakeholders including shareholders, employees, customers, business associates and community as a whole.

2.5.2 The MD is responsible for the development of the strategies for the Group and setting the overall strategic policy and direction of the Group's business operations towards achieving the Group's objectives and goals.

2.5.3 The MD ensures that financial management practices are performed at the highest level of integrity and transparency and that the business and affairs of the Group are carried out in an ethical manner and in compliance with relevant laws and regulations.

- 2.5.4 The MD provides effective leadership to the Group and is responsible for ensuring high management competency and that an effective management succession plan is in place to sustain continuity of operations.
- 2.5.5 The MD, in consultation with the Company Secretary, sets agenda for Board meetings and ensures that all relevant issues are on the agenda.
- 2.5.6 The MD also assumes overall responsibility in carrying out the Board's mandates, manages the Group's businesses and drives performance towards the strategic goals and commercial/financial objectives.
- 2.5.7 Ensuring effective relationships and communication with management, and between the Board, shareholders and relevant stakeholders;
- 2.5.8 Serving as the conduit between the Board and Management in ensuring the success of the Group's governance and management functions.
- 2.6 Role of Chief Executive Officer ("CEO")
- 2.6.1 The CEO is primarily accountable for overseeing the day-to-day operations of the Group and to ensure the smooth and effective running of the Group.
- 2.6.2 The CEO also assists MD to ensure that financial management practices are performed at the highest level of integrity and transparency and that the business and affairs of the Group are carried out in an ethical manner and in compliance with relevant laws and regulations.
- 2.6.3 The CEO is the conduit between the Board and the Management in ensuring the success of management functions.
- 2.6.4 The CEO implements the policies, strategies and decisions adopted by the Board.
- 2.7 Role of Board Committees
- 2.7.1 The Board appoints the following Board Committees with specific terms of reference:
- i) Audit Committee ("AC")
- The AC assists and supports the Board's responsibility of overseeing the Group's operations by providing a means for reviewing the Group's financial data, its internal controls, and policies and procedures to assess the suitability, objectivity and independence of the Group's external auditor and internal audit function.
 - The AC is also responsible for assisting the Board in overseeing the internal control framework, and the adequacy and effectiveness of the framework.
 - The ARC should ensure that the internal audit function is effective and able to function independently.

ii) Risk Management Committee (“RMC”)

The RMC is responsible for assisting the Board in overseeing the risk management framework, sustainability framework and the adequacy and effectiveness of the framework.

iii) Nomination and Remuneration Committee (“NRC”)

- The NRC oversees matters related to the nomination of new Directors, reviews the required mix of skills, experience and other requisite qualities of Directors as well as undertakes the annual assessment of the effectiveness of the Board as a whole, its committees and the contribution of each individual Director.
- The NRC oversees the succession planning policy of the Group.
- The NRC is also primarily responsible for recommending to the Board the remuneration framework for Directors, reviewing the remuneration package for Executive Directors and senior management.

2.7.2 Independent and Non-Executive Directors play a leading role in these Committees. Management and third parties are invited to the Committees as and when required.

2.7.3 The Chairman of the respective Committees shall report and update the Board on significant issues and concerns discussed and where appropriate, make the necessary recommendations to the Board.

2.8 Role of Senior Independent Non-Executive Director

2.8.1 The duties of the Senior Independent Non-Executive Director shall include acting as a sounding board for the Chairman, an intermediary for other Directors when necessary, and the point of contact for shareholders and other stakeholders with concerns which have failed to be resolved or would not be appropriate to be communicated through the normal channels of the Chairman and/or Executive Directors/CEO.

3.0 GUIDELINES FOR MEMBERSHIP OF THE BOARD

3.1 Size and Composition

3.1.1 At any one time, at least half of the Board members are Independent Directors.

- 3.1.2 The Board consists of qualified individuals with diverse experiences, skill, knowledge, competencies and perspectives. The composition and size of the Board is such that it facilitates the making of informed and critical decisions.
- 3.1.3 The constitution of the Company provides that there will be a minimum of three directors and a maximum of sixteen Directors.
- 3.1.4 Qualifications for membership of the Board include:
- Appropriate knowledge, understanding and experience of the conduct of the business, as well as the laws, customs and values that govern the activities of the organisation;
 - Ability to make informed business decisions and recommendations;
 - Entrepreneurial talent for contributing to the creation of shareholder value;
 - Ability to ask sensible questions;
 - High ethical standards and professional approach to duties as well as sound practical sense;
 - Integrity in personal and business dealings; and
 - Proactive and total commitment to furthering the interest of the Company's shareholders and to achieve the Company's goals.
- 3.1.5 The Board is supportive of gender diversity at all levels of the Company and endeavour to have at least one (1) female director on the Board. In its selection of Board members, the Board provides equal opportunity to all candidates who meet the criteria and possess other qualities vis-a-vis the Group's present business portfolios and prospective investments. The Board will disclose in its annual report the Company's policies on gender diversity, set targets on gender diversity and draw up resource to meet such targets.
- 3.1.6 A Non-Executive Director is considered an individual who:
- has no direct or indirect pecuniary interest in the Group other than his/her Director's emoluments and his/her "permitted" shareholdings in the Company; or
 - is not an employee of the Company or affiliated with it in any other way and is not involved in the day-to-day running of the Group's business but may have pecuniary interests in the Group, whether direct or indirect; or
 - is not an employee of the Group but standing as a nominee for a substantial shareholder.
- 3.1.7 Key competencies required for Non-Executive Directors: -
- To provide an independent view to matters under consideration.
 - Ability to add value to the Board's deliberations.
 - To contribute to the breadth and depth of experience of the Board.
 - Ability to communicate clearly.
 - Ability to demonstrate a wide and unfettered perspective on issues and bring to the Board, integrity and a strong sense of ethics.
 - Organisational and strategic awareness and an appropriate level of financial literacy.
 - Knowledge on the responsibilities of a Director.
 - Ability to constructively collaborate as part of a team contributing towards the successful performance of the Group.

3.1.8 An Independent Non-Executive Director is considered an individual who:

- Is not an Executive Director of the Company or any related corporation of the Company.
- Has not been within the last two years and is not an officer (except as a Non-Executive Director) of the Company or any related corporation of the Company. For this purpose, “officer” shall have the meaning given in Section 4 of the Companies Act, 1965.
- Is not a major shareholder of the Company or any related corporation of the Company.
- Is not a family member of any Executive Director, officer or major shareholder of the Company. For this purpose, “family member” means spouse, parent, brother, sister, child (including adopted or step child) and spouse of his child, brother or sister.
- Is not acting as a nominee or representative of any Executive Director or major shareholder of the Company or any related corporation of the Company.
- Has not been engaged as a professional adviser by the Company under such circumstances as prescribed by Bursa Securities either personally or through a firm or company of which he is a partner, director (except as an Independent Director) or major shareholder, as the case may be.
- Has not been engaged in any transaction with the Company 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 been engaged in any transaction with the Company under such circumstances as prescribed by Bursa Securities.
- An Independent Non-Executive Director is independent of management and free of any significant business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement, and who otherwise meet the criteria for independence.
- The Independent Directors provide independent judgement, experience 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 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.
- The views of the Independent Directors should carry significant weight in the Board's decision-making process.
- The Board undertakes to assess the independence of the Independent Directors.

3.1.9 The above guidelines must be applied with common sense and the Board must give effect to the spirit, intention and purpose of the above definition and criteria. Directors should be able to determine if they have an interest or relationship which is likely to have impact on their independence. As such, Directors are expected to advise the Chairman immediately if they believe that they may no longer be independent. Should the Chairman or any other Director has any concern about the independence of a Director, he/she must immediately raise the issue with that Director, if the issue is not resolved.

3.2 Nomination and Appointments

- 3.2.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the NRC.
- 3.2.2 The Company Secretary has the responsibility for ensuring that relevant procedures relating to the appointments of new Directors are properly executed.
- 3.2.3 Upon the appointment of a new Director, the new board member shall be briefed on the terms of their appointment, their duties and obligations and on the operations of the Group. Copies of the following shall be provided to newly appointed Directors: -
- Board Charter
 - Memorandum and Articles of Association of the Company
 - Latest Annual Report
- 3.2.4 The Company Secretary shall explain the restrictions to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities. Thereafter, all Directors are provided with appropriate briefings on the Company's affairs and up-to-date corporate governance materials published by the relevant bodies.
- 3.2.5 The directorships held by any Board member at any one time shall not exceed five in listed companies.

3.3 Time Period of Office

- 3.3.1 All Directors are subject to retirement by rotation at least once in every three years and is eligible for re-election.
- 3.3.2 New Board members will only hold office until the next annual general meeting, and will then be eligible for re-election.
- 3.3.3 The tenure of an Independent Director should not exceed a cumulative of nine years. Upon completion of the 9 years, an Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. Otherwise, the Board must justify and seek shareholders' approval at the Annual General Meeting in the event it retains the director as an Independent Director.

3.4 Time Commitment of Director for Accepting New Directorships

- 3.4.1 Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board and the performance of its duties and to give sufficient time and attention to the affairs of the Company/ Group.
- 3.4.2 Any Director shall notify the Chairman before accepting any new directorship and the notification shall include the indication of time that will be spent on the new appointment.

4.0 PERFORMANCE OF THE BOARD

4.1 Directors' Assessment / Board Evaluation

- 4.1.1 The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Committees. The Board reviews and evaluates its own performance and the performance of its Committees on an annual basis.
- 4.1.2 The Board evaluation comprises a Board Assessment, the various Board Committees, an Individual (Self & Peer) Assessment and an Assessment on the Independence of Independent Directors.
- 4.1.3 The assessment of the Board is based on specific criteria, covering areas such as the Board composition, knowledge, skills and experience of the current Board.
- 4.1.4 For Individual (Self & Peer) Assessment, the assessment criteria include fit and proper, contribution and performance, calibre and personality, understanding of role, performance and initiative and demonstration of willingness.
- 4.1.5 The criteria for assessing the independence of an Independent Director include the relationship between the Independent Director and the Company, and his involvement in any significant transaction with the Company.
- 4.1.6 The Board should disclose how it has conducted such assessment and its outcome in the annual report as prescribed under the MMLR and MCCG.

4.2 Directors' Training and Development

- 4.2.1 In addition to the mandatory programmes as required by Bursa Securities, Board members are encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Company's operations and business.
- 4.2.2 The NRC shall assess the training needs of the Directors and ensure Directors have access to continuing education programme.
- 4.2.3 The Board shall disclose in the Annual Report the training programmes attended by the Directors.

5.0 MEETING

5.1 Board Meeting

- 5.1.1 The Board meets in person 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.
- 5.1.2 The Company aims to provide all Directors with timely and quality information and in a form and manner appropriate for them to discharge their duties effectively.

- 5.1.3 The Management is responsible for providing the Board with the required information in an appropriate and timely manner. The Chairman, assisted by the Company Secretary, assess the type of information required to be provided to the Board. 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 appropriate and promptly as possible.
- 5.1.4 Notices and agenda of meetings together with the relevant Board papers should be circulated to all Directors at least 5 working days prior to the Board meeting.
- 5.1.5 Full Board minutes of each Board meeting shall be kept by the Company Secretary and shall be available for inspection by any Director during office hours.
- 5.1.6 A meeting shall normally be conducted face-to-face to enable effective discussion; however, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the Board.
- 5.1.7 The Board may from time to time and if deemed appropriate, consider and approve and/or recommend relevant matters via a resolution in writing in lieu of formally convening a meeting. A written resolution in writing signed or approved by the Directors shall be as valid and effectual as if it has been passed by a meeting of the Board duly convened. Approval of the Board on the resolution can be through email and/or other means of electronic communications
- 5.2 Annual General Meeting (“AGM”)
- 5.2.1 The Board regards the AGM as an important event in the corporate calendar, which all Directors, the Chairman of the AC, RMC, NRC and key senior executives should attend the meeting.
- 5.2.2 Notice of an AGM should be given to the shareholders at least 28 days prior to the meeting.
- 5.2.3 The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides ample opportunity for effective communication with, and constructive feedback from, the Company's shareholders.
- 5.2.4 The Company must ensure that votes of shareholders taken at the AGM on the resolutions to approve Related Party Transactions are taken on a poll.
- 5.2.5 To encourage poll voting during the AGM, the Chairman shall inform shareholders of their right to demand for a poll at the commencement of the meeting.
- 5.2.6 The Chairman and, where appropriate, the MD should respond 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.
- 5.3 Extraordinary General Meeting (“EGM”)
- 5.3.1 The Board will consider requisitions by shareholders to convene an EGM or any other urgent matters requiring immediate attention of the Company.

6.0 REMUNERATION POLICY

- 6.1 The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.
- 6.2 The level of remuneration for the MD / CEO / Executive Directors is determined by the NRC after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.
- 6.3 No Director other than the MD / CEO / Executive Directors shall have service contract with the Company.
- 6.4 There shall be adequate disclosure in the Annual Report on the Remuneration Policy including a note on the remuneration of Directors.

7.0 ACCESS TO INFORMATION AND INDEPENDENT ADVICE

- 7.1 Directors may access information on the Company/ Group and seek independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgment in decision making.
- 7.2 Directors will be entitled to:
- Access members of the senior management via the MD / CEO at any time to request relevant and additional information or seek explanations.
 - Have access to internal and external auditors, without management's presence.
 - Seek independent professional advice with the Chairman's prior consent, which will not be unreasonably withheld or delayed, and which will be at the Company's expense.

8.0 FINANCIAL REPORTING

- 8.1 Transparency
- The Directors shall ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards.
 - The Company's practice is to announce to Bursa Securities its quarterly financial results as early as possible within two months after the end of each quarterly financial period.
 - 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.

8.2 Company 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 Company's auditors through its Audit Committee.
- The Audit Committee also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company's auditors. The Company shall ensure that the Company's auditors do (not supply a substantial volume of non-audit services to the Company.
- Appointment of the Company's auditors is subject to approval of shareholders at General Meetings. The Company's auditors have to retire during the AGM every year and be re-appointed by shareholders for the ensuing year.

9.0 SHAREHOLDERS COMMUNICATIONS

9.1 The Board shall ensure effective, transparent and regular communication with its stakeholders to facilitate mutual understanding of each other's objectives and expectations.

9.2 Investor Relations

- The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.
- The Board will ensure the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations in addition to the various announcements made during the year.
- The Company will conduct dialogues with financial analysts and/or the media from time to time as a means of effective communication to enable the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.
- The Company leverage on information technology for effective dissemination of information. The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

9.3 Other Stakeholders

In the course of pursuing the vision and mission of the Company, the needs and interests of other stakeholders are also taken into consideration.

9.4 Employees

The Board acknowledges that employees are invaluable assets of the Company and play a vital role in achieving the vision and mission of the Company.

9.5 Social Responsibility

The Board acknowledges the Group's obligation to society and strives for a balanced approach in fulfilling its key objectives and the expectations of stakeholders. The Group supports various charitable causes and committed to carry on its efforts further on a sustainable basis.

10.0 COMPANY SECRETARY

10.1 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.

10.2 The Company Secretary is accountable to the Board through the Chairman of the Board and Committees on all governance matters.

10.3 The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to sound governance and compliance with laws, rules, procedures and regulations affecting the Group.

10.4 The Company Secretary should advise Directors of their obligations to adhere to matters relating to:

10.4.1 Advising the Directors on corporate disclosures and compliance with securities regulations and listing requirement including:

- Disclosure of interest in securities
- Disclosure of any conflict of interest in a transaction involving the Company
- Prohibition on dealing in securities
- Restriction on disclosure of price-sensitive information.

10.4.2 Advising the Board on its roles and responsibilities;

10.4.3 Managing process pertaining to the annual shareholders' meeting;

10.4.4 Serving as a focal point for stakeholders' communication and engagement on corporate governance issues.

10.4.5 Assist in Directors' training and development.

10.5 The Company Secretary must keep abreast of, and inform, the Board of current governance practices.

10.6 The Board members have unlimited access to the professional advices and services of the Company Secretary.

11.0 CONFLICT OF INTERESTS

11.1 Directors must:

- disclose to the Board (through the Secretary and/or Chairman) any actual or potential conflict of interest which may exist or be thought to exist as soon as they become aware of the issue
- take any necessary and reasonable measures to try to resolve the conflict
- comply with the Companies Act provisions on disclosure of interests and restrictions on voting

11.2 If a conflict or potential conflict situation exists, it is required that the conflicted Director shall be excused from the meeting whilst the Board discusses the matter and he or she should not vote on the matter, unless all other directors who do not have a material personal interest in the matter have passed a resolution that states that those directors are satisfied that the conflict should not disqualify the director from being present.

11.3 Directors are expected to advise the Company Secretary on any proposed Board or executive appointment to other companies as soon as practicable.

12.0 CODE OF CONDUCT AND ETHICS

12.1 The Board shall formalise and maintain a set of ethical standards of behaviour for the Company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

12.2 The policies of the Group's Code of Business Conduct should be integrated into group wide management practices.

13.0 WHISTLEBLOWING POLICY

13.1 The Board shall establish, review and together with management implement appropriate policies and procedures on whistleblowing.

13.2 The Board should encourage employees to report genuine concerns in relation to breach of a legal obligation (including negligence, criminal activity, breach of contract and breach of law), miscarriage of justice, danger to health and safety or to the environment and the cover up of any of these in the workplace.

14.0 APPLICATION

- 14.1 The Board endeavours to comply at all times with the principles and practices set out in this Charter.
- 14.2 The Board will review this Charter and the Terms of Reference of each Committee periodically and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices.
- 14.3 Any update to the principles and practices set out in this Charter will be made available on the Company's website, as and when necessary.