

## **BOARD CHARTER**

### **1. Introduction**

- (a) This Board Charter (“**the Charter**”) sets out the principles for the operation of the Board of Directors of NationGate Holdings Bhd. and describes the functions of the Board and those functions delegated to Management of the Company.
- (b) Unless otherwise stated, the following shall apply:
  - (i) “Board” means the Board of Directors of the Company;
  - (ii) “Bursa Securities” mean Bursa Malaysia Securities Berhad;
  - (iii) “Chairman” means the chairman of the Board and is used in a gender-neutral sense;
  - (iv) “Company Secretary” means the Board secretary(ies) or the person(s) normally exercising the functions of a Board secretary;
  - (v) “Directors” means members of our Board;
  - (vi) “Independent Director” is defined in accordance with Rule 1.01 of the Listing Requirements;
  - (vii) “Listing Requirements” means the Main Market Listing Requirements of Bursa Securities;
  - (viii) “Management” means the executive Directors and key management personnel of the Company;
  - (ix) “Shareholders” means the shareholders of the Company;
  - (x) “the Company” or “NationGate” Means NationGate Holdings Bhd.; and
  - (xi) “the Group” means NationGate Holdings Bhd. and its subsidiaries.
- (c) The Board has a primary responsibility to the Shareholders for the welfare of the Company. The Board is also responsible for guiding and monitoring the businesses and the affairs of the Company. The Company in turn recognizes the importance of the Board in providing policy guidelines, to serve as a reference point for good corporate governance in the operations of the Company and in acting for and on behalf of the Company and the Group.

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

- (a) The Board shall be of a size and take into consideration the representation of the interest of certain shareholders or groups of shareholders with the benefit of diversity in perspectives, experience, skill sets, gender mix, ethnicities and age to understand and deal with the current and emerging issues of the Group’s business and operations. The Board shall disclose in its annual report the Company’s policies on gender diversity for board and senior management, its targets and measures to meet those targets.
- (b) At least half of the Board shall comprise Independent Directors. If the Chairman is not an Independent Director, the Board shall comprise a majority (more than half) of Independent Directors. In the event of any vacancy in the

Board, resulting in non-compliance, the Company must fill the vacancy within three (3) months.

- (c) The Chairman of the Board should not be a member of the Audit and Risk Management Committee, Nomination Committee or Remuneration Committee.
- (d) The Company's Constitution ("**Constitution**") stipulates that the minimum and maximum number of Directors shall not be less than two (2) and more than nine (9). For avoidance of doubt, an alternate Director shall not be counted in the determination of the minimum or maximum number of Directors.
- (e) The appointment of a new member to the Board is only made after consultation and recommendation by the Nomination Committee and utilizes independent sources to identify suitably qualified candidates. All Directors shall be appointed through a letter of appointment to be issued by the Chairman of the Board.
- (f) The Board has adopted a definition of independence 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 and Guidance Note 9 of the Listing Requirements and taking into consideration the Code.
- (g) The Listing Requirements emphasize that even if a person does not fall within any of the disqualifying indicators enumerated in Rule 1.01, both the Directors and the Board must give effect to the spirit, intention and purpose of the definition of an Independent non-executive Director.
- (h) The Board recognizes the importance of having a clearly accepted division of power and responsibilities of the Chairman and Group Managing Director ("**Group MD**") to ensure a balance of power and authority. It is the policy of the Board that the roles of the Chairman and Group MD be held by different individuals, and that the Chairman must be an Independent non-executive member of the Board.
- (i) The Board shall ensure a balanced composition so that no individual or small group of individuals will dominate decision-making.
- (j) The Board shall at all times consider and follow the requirements stipulated under the Listing Requirements.
- (k) The board comprises at least 30% women directors.

### **3. Roles and Responsibilities of the Board**

- (a) The Board shall assume ultimate accountability and responsibility for the performance and affairs of the Company. The Board is collectively responsible for meeting the objectives and goals of the Company and shall in so doing effectively represent and promote the legitimate interests of the Company and its Shareholders. The Board, at all times, shall retain full and effective control over the Company and shall direct and supervise the business and affairs of the Company, including oversight of sustainability and climate-related risks and opportunities that may affect the Company's long-term value creation.
- (b) The Board shall ensure that Management has in place appropriate processes for risk assessment, management and internal controls, including processes to identify, assess, manage and monitor sustainability and climate-related risks and opportunities, and for monitoring performance against agreed benchmarks. The Board shall work with Management as collaborators in advancing the interests of the Company.
- (c) The Board has delegated certain responsibilities to committees which operate in accordance with this Charter and delegated the day-to-day management of the Group's business to the Executive Directors and the senior management team, subject to an agreed authority limit, and

oversee how and how often the Board and its relevant committees are informed about sustainability- and climate-related risks and opportunities, including through regular reporting from Management and assurance processes.

- (d) The principal roles and responsibilities of the Board are:
- (i) ensure that all its directors are able to understand financial statements and form a view on the information presented, including sustainability and climate-related financial disclosures, and are able to oversee strategies designed to respond to sustainability and climate-related risks and opportunities;
  - (ii) together with senior Management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behavior, including accountability for sustainability and climate-related matters;
  - (iii) together with senior Management takes responsibility for the governance of sustainability in the Group, including climate-related matters, by setting the Group's sustainability strategies, priorities and targets, and overseeing the development and implementation of company strategies, business plans, major plans of action and risk management, in respect of sustainability and climate-related risks and opportunities.
  - (iv) overseeing the setting of targets related to sustainability and climate-related risks and opportunities, and monitoring progress towards those targets, including reviewing whether and how related performance metrics are incorporated into remuneration policies;
  - (v) review, challenge and decide on management's proposals for the Company, and monitor its implementation by management, considering sustainability and climate-related risks and opportunities and any trade-offs associated with those risks and opportunities;
  - (vi) set the strategic plan including setting performance objectives and approving operating budgets for the Group and ensuring that the strategies support long-term value creation and promote sustainability within the aspects of economy, environment, social and governance, including consideration of climate-related risks and opportunities, and that necessary resources are in place for the Company to meet its objectives. The Board is also responsible for monitoring the implementation of the strategic plan by Management as well as supervise and assess management performance to determine whether the business is being properly managed;
  - (vii) overseeing the conduct of the Group's business and build sustainable value for shareholders by monitoring financial performance against approved budget, determine dividend policy and the amount, nature and timing of dividends to be paid and also to conduct a review of the Group's funding requirements on a continuing basis, including consideration of material sustainability and climate-related risks and opportunities in significant treasury matters, approval of financing arrangements, or payment authority and other signatories;
  - (viii) identifying principal risks and opportunities, including sustainability and climate-related risks and opportunities on a continuous basis, and ensuring the implementation of appropriate internal controls and mitigation measures for risks and management measures for opportunities, such as through integration of sustainability and climate-related matters into the Group's enterprise risk management framework, the establishment of an internal audit function which reports directly to the Audit and Risk Management Committee, oversight of the Audit and Risk Management Committee's evaluation of auditor's performance and independence, and reviews relevant arrangements brought forth by the Audit and Risk Management Committee;

- (ix) overseeing the development and implementation of a corporate disclosure policy (including an investor relations program or shareholder communications policy) for the Group, ensuring the integrity, completeness and timeliness of sustainability and climate-related disclosures;
  - (x) succession planning, including appointing, assessing, training, determining the compensation of, and where appropriate, replacing Executive Directors and Management and overseeing the Group's human capital development process, including ensuring that sustainability and climate-related performance metrics are considered, where appropriate, in remuneration and incentive structures, monitor and compensate performance against pre-determined evaluation criteria;
  - (xi) reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, and systems for compliance with applicable laws, regulations, rules, directives and guidelines to ensure an effective framework for internal controls and risk management;
  - (xii) monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
  - (xiii) ensuring that the Company's financial statements are true and fair and conform with the accounting standards;
  - (xiv) monitoring and reviewing policies and procedures relating to occupational health and safety and compliance with relevant laws and regulations;
  - (xv) ensuring that the Group adheres to high standards of integrity, ethics and corporate behavior;
  - (xvi) periodically review an anti-corruption compliance program which includes clear policies and objectives that adequately addresses corruption risk; and
  - (xvii) approve the Whistleblowing Policy and Procedures to encourage reporting of any legitimate concerns over any wrongdoing in the Group.
- (e) In overseeing the conduct of the Group's business, the Board shall ensure that an appropriate financial planning, operating and reporting framework as well as an embedded risk management framework is established. Elements under this combined framework include the business plan, the budget, financial statements, divisional strategic/performance reviews reports, and risk management reports.

#### **4. Roles of the Chairman**

- (a) The position of the Chairman of the Board shall be held by an Independent Director, who shall also be an individual different from the individual who holds the position of the Group MD. The Chairman of the board should not be a member of the Audit and Risk Management Committee, Nomination Committee or Remuneration Committee.
- (b) The Chairman is primarily responsible for:
  - (i) leading the Board in the oversight of management;
  - (ii) leading the Board in the adoption and implementation of good corporate governance practices;
  - (iii) chairing general meetings of shareholders;
  - (iv) ensuring the integrity of the governance process and issues;

- (v) ensuring the effectiveness of the Board in accordance with the Charter;
- (vi) maintaining regular dialogue with the Group MD over all operational matters and consulting with the remainder of the Board promptly over any matters that gives him/her cause for major concern;
- (vii) undertaking appropriate public relations activities in conjunction with the Group MD;
- (viii) setting the Board agenda and ensuring adequate time is allocated for discussion of issues tabled to the board for deliberation and that Board members receive complete and accurate information in a timely manner;
- (ix) functioning as a facilitator at meetings of the Board to ensure that no member dominates discussion, that appropriate robust discussions take place and that relevant opinions among members is forthcoming;
- (x) ensuring that all Directors are enabled and encouraged to participate in its activities and allowing dissenting views to be freely expressed;
- (xi) ensuring that executive Directors look beyond their executive function and accept their share of responsibilities in governance;
- (xii) guiding and mediating Board actions with respect to organizational priorities and governance concerns;
- (xiii) undertaking the primary responsibility (with the assistance of the Company Secretary) for organizing information necessary for the Board to deal with items on the agenda and for providing information to Directors on a timely basis;
- (xiv) performing other responsibilities assigned by the Board from time to time;
- (xv) being the major point of contact between the Board and the Management;
- (xvi) being fully informed of current events by the Group MD on all matters which may be of interest to Directors;
- (xvii) carrying out regular reviews with the Group MD and such other appropriate member of the Management, progress on important initiatives and significant issues facing the Company and/or the Group; and
- (xviii) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

## **5. Roles of the Group MD**

- (a) The position of the Group MD in essence is to ensure the effective implementation of the Group's business plan and policies established by the Board as well as to manage the daily conduct of the Group's business and affairs to ensure its smooth operation. The responsibility of the Group MD shall be stated in an agreed job description and generally, the Group MD is responsible to the Board for the following:
  - (i) executive management of the Group's business covering the development of a strategic plan; an annual operating plan and budget; performance benchmarks to gauge management performance and the analysis of management reports;
  - (ii) developing long-term strategies and short-term profit plans, designed to ensure that the Group's requirements for growth, profitability and return on capital are achieved;
  - (iii) set, review and ensure compliance with the Company's mission and vision;

- (iv) directing and controlling all aspects of the business operations in a cost- effective manner;
  - (v) assures that the Group's corporate identity, products and services are of high standards and are reflective of the market environment;
  - (vi) be the official spokesman for the Company and responsible for regulatory, governmental and business relationships;
  - (vii) ensures compliance with governmental procedures and regulations;
  - (viii) coordinates business plans with the business heads, coordinates management issues through the Board, and oversees divisional function groups and management of costs in consultation with the Group accounts and executive Directors;
  - (ix) maintains and facilitates a positive working environment and good employee relations; and
  - (x) assists the Chairman in organizing information necessary for the Board to deal with the agenda and for providing this information to Directors on a timely basis.
- (b) Any matters or transactions beyond the delegation of authority of the Group MD must be referred to the Board for approval.

## **6. Roles of the Directors**

- (a) All Directors should objectively discharge their duties and responsibilities at all times as fiduciaries in the interest of the Company. Each Director has a duty to act in good faith and must act with integrity, led by example, keep abreast of his responsibilities as a director and of the conduct, business activities and development of the company.
- (b) Where the Company makes an enquiry with any of the Directors for the purpose of making a disclosure pursuant to the Listing Requirements, such Director must provide information promptly that is:
  - (i) clear, unambiguous and accurate;
  - (ii) does not contain any material omission; and
  - (iii) is not false or misleading.
- (c) Executive Directors are responsible for the implementation of broad policies approved by the Board and are obliged to report and discuss at Board meetings all material matters currently or potentially affecting the Group and its performance, including all strategic projects and regulatory developments.
- (d) The roles of the executive Directors are as follows:
  - (i) meet regularly with the Board, with due notices of issues to be discussed and should record their conclusions in discharging their duties and responsibilities;
  - (ii) maintain an effective communications policy that enables both the Board and Management to communicate effectively with the shareholders, stakeholders and the public generally;
  - (iii) responsible to achieve the Company's financial and operational goals and objectives, maintain a satisfactory competitive position within its industry and ensure continuous improvement in the quality and value of the products and services provided by the Company;
  - (iv) formulate and oversee the implementation of major corporate policies, runs the day-to-day business and implement the policies and strategies adopted by the Board; and

- (v) liaise with the Chairman and carries out other duties as directed by the Board as a whole.
- (e) Non-executive Directors provide considerable depth of knowledge collectively gained from experiences in a variety of public and private companies. Independent non-executive Directors are independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment.
- (f) Independent Directors provide unbiased and independent views in ensuring that the strategies proposed and matters brought up by the Management are fully deliberated and examined, in the interest of shareholder, employees, customers and the many communities in which the Group conducts its business. The Independent Directors help to ensure that the interest of all shareholders and not only the interest of a particular group, and that all relevant matters and issues are objectively and impartially considered by the Board.
- (g) Letter of appointment for non-executive Directors do not set a fixed time commitment for board duties as the Board believes that the time required by the non-executive Directors may fluctuate depending on demands of the business and other events. Nevertheless, it is expected that non-executive Directors shall allocate sufficient time to the Company to perform their duties effectively.
- (h) The roles of non-executive Directors and Independent non-executive Directors are to:
  - (i) review, challenge, approve or disapprove Management's strategic proposals. In doing so, they should bring an objectivity and breadth of judgment to the strategic planning process as they are not involved in the day-to-day Management of the business;
  - (ii) oversee the conduct of the Company's business and to evaluate whether the business is properly managed. In this respect, they must ensure that there are objectives in place against which Management's performance can be measured;
  - (iii) provide a balanced and independent view and objectivity in Board's deliberations;
  - (iv) acquire and provide the necessary skill and experience to bring an independent judgment to bear on the issues of strategies, performance and resources including key appointments and standards of conduct;
  - (v) keep abreast of issues relating to the Company; and
  - (vi) committed to a collective decision-making process.
- (i) The Board may select among its Independent non-executive Directors and appoint a senior Independent non-executive Director, if deemed required or necessary.
- (j) The selection of senior Independent non-executive Director is based on his experience and the significant influence he has within the Board, ability to convey concerns of the Independent Directors to the other members of the Board and to act as mediator in the event of dissention between the Chairman or executive Directors of the Company in the execution of their duties as Independent Director.
- (k) When appointed, the senior Independent non-executive Director will be expected to play the following roles:
  - (i) provides an additional communication channel between non-executive Directors and shareholders and address to the Board on the concerns conveyed by the shareholders and the public;
  - (ii) be available to shareholders if their concerns through contact in the normal channels of Chairman or executive Directors have failed to resolve the issue or for which such contact is inappropriate;
  - (iii) represents and acts as spokesperson for the Independent Directors as a group, act as an

intermediary for other non-executive Directors when necessary and specifically serve as the principal conduit between the Independent Directors and Chairman on sensitive issues;

- (iv) promote high standards of corporate governance and ensure that the Company's obligations to shareholders are understood and complied with; and
  - (v) maintain sufficient contact with major shareholders to listen to their views in order to assist the Board to develop a balanced understanding of their issues and concerns.
- (l.) The senior Independent non-executive Director or failing which, any non-executive Director nominated by the Board will act as an independent channel for whistle-blowers to direct reports/complaints, as identified in the Company's Whistleblowing Policy, to represent other non-executive Directors.

## **7. Appointment, Re-election/Re-appointment and Removal from Office**

- (a) For the assessment and selection of Directors, the Nomination Committee shall consider prospective Directors with the following factors:
  - (i) skills, knowledge, expertise and experience;
  - (ii) contribution and performance;
  - (iii) character, professionalism and integrity;
  - (iv) number of directorships and other external obligations which may affect the Director's commitment, including time commitment and value contribution; and
  - (v) evaluate ability of discharging responsibilities/functions as expected by Independent Directors.
  - (vi) the current composition of the board and the tenure of each director on the board
- (b) The office of Director shall be vacated if the Director becomes prohibited from being a Director by reason of any order made under the CA 2016 or contravenes Section 199 of the CA 2016.
- (c) Where a Director is removed from office, the Company must forward a copy of any written representations made by the Director to every member of the Company under Section 207(3)(b) of the CA 2016.
- (d) Directors shall notify the Chairman before accepting any new directorships and the notification shall provide for an indication of time that will be spent on the new appointment.
- (e) A Director of the Company or Group shall not hold more than five (5) directorships in listed issuer, as stipulated by the Listing Requirements.
- (f) The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a non-Independent non-executive Director. The Board may subject to the assessment of the Nomination Committee on an annual basis, recommend for an Independent Director who has served a consecutive or cumulative term of nine (9) years to remain as an Independent Director subject to Shareholders' approval with justification given. If the Board continues to retain the Independent Director after the nine (9<sup>th</sup>) year, the Board should seek annual Shareholders' approval through a two-tier voting process. After the twelve (12<sup>th</sup>) year, an independent director must observe a cooling off period of 3 years before re-appointment.

## 8. Company Secretary

- (a) The Board shall ensure it is supported by a suitably qualified and competent Company Secretary, who shall, at minimum, meet the requirements of the CA 2016.
- (b) The Company Secretary shall be suitably qualified, competent and capable of carrying out the duties required of the post.
- (c) The Board shall appoint a Company Secretary and the appointment and removal of the Company Secretary shall be subject to the Board's approval.
- (d) The key role of the Company Secretary include:-
  - (i) advise the Board on its roles and responsibilities;
  - (ii) assist in Director training and development;
  - (iii) provide unhindered advice and services for the Directors, as and when the need arises;
  - (iv) enhance the effective functioning of the Board and advise the Board on its roles and responsibilities;
  - (v) advise the Board on corporate disclosures and compliance with company and securities regulations and listing requirements;
  - (vi) preparing agendas and coordinating the preparation of the Board papers in a timely and effective manner;
  - (vii) ensure that Board procedures and applicable rules are observed;
  - (viii) maintaining records of the Board and ensure effective management of organization's records;
  - (ix) preparing comprehensive minutes to document Board proceedings and committee proceedings and ensure conclusions are accurately recorded and the minutes are circulated in a timely manner;
  - (x) keep abreast of, and inform, the Board of current governance practices and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;
  - (xi) assisting the communications between the Board and Management; and
  - (xii) providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.

## 9. Authority

- (a) The Board will have full and unrestricted access to the advice and services of the Company Secretary and anyone within the Group in order to conduct any enquiries, investigation and to obtain any information pertaining to the Company or Group, including access to the Company auditors and consultants, relevant to the furtherance of the Board's duties and responsibilities.
- (b) Where independent professional advice is considered necessary to discharge duties and responsibilities as Directors and for benefit of the Company, such Director shall first discuss the matter with the Chairman and, having done so, shall be free to proceed at the cost of the Company, as appropriate.
- (c) Subject to any restriction imposed by law, the Board is authorized to seek any information it requires from any employee of the Company and its subsidiaries in order to perform its duties.

## 10. Meeting/Board Processes

Board Meetings shall be conducted in a business-like manner where all Directors are encouraged to share their views and partake in robust discussions.

### (a) Frequency

- (i) The Board shall meet regularly, at least on a quarterly basis. Special Board meetings shall be held in addition to the quarterly meetings as and when required or where requested by any Directors. Prior notice of meetings will be given to all who are required to attend the meetings.
- (ii) Board members are required to attend the Board meetings and attendance of each individual Director in the meetings held in a financial year is required to be disclosed in the Company's annual report.
- (iii) The Board may invite external parties such as the auditors, solicitors and consultants to attend the Board meetings as and when the need arises.
- (iv) Additional formal business is dealt with as required, whether by physical, videoconferencing or telephonic meetings, as well other electronic meetings allowed under the laws or the Constitution.
- (v) Resolutions of the Directors at a meeting or adjourned meeting of the Directors shall be adopted by a majority of votes of all Directors present. In the event matters requiring Board's decision arise between meetings, such matters shall be resolved through circular resolution which shall be supported by relevant papers setting out details of the subject matters. All such resolutions shall be submitted for confirmation at a meeting of the Board following the passing of the circular resolutions.
- (vi) In the event of an equality of votes, the Chairman of the Board shall be entitled to a casting vote.
- (vii) The Board shall comply with the quorum requirements for Board meetings.

### (b) Quorum

- (i) If no other quorum is fixed by the Board, two (2) Directors form a quorum. A meeting at which a quorum is present can exercise all the powers and discretions of the Board.
- (ii) A Director who ceases to be a Director at a Board meeting can continue to be present and act as a director and be counted in the quorum until the end of that Board meeting if no other director objects and a quorum of the Board would not otherwise be present.

### (c) Agenda

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

### (d) Meeting Papers

- (i) Board papers and agenda items are to be circulated at least five (5) business days prior to the meeting.
- (ii) The minutes of Board meetings shall be prepared within thirty (30) days following a Board

meeting. The draft minutes shall be circulated together with the Board papers at the following Board meeting. If one or more Directors request their opinion to be noted, the Company Secretary shall comply with the request.

**(e) Minutes**

- (i) The discussions and conclusions of the Board meetings shall be minute, in a clear, accurate, consistent, complete and timely manner. The minutes shall record the deliberation, in terms of the issues discussed, and the conclusions thereof.
- (ii) The meeting minutes shall be entered into the minutes book of the Board kept by the Company Secretary together with the attendance sheet.
- (iii) Keeping of the minutes must comply with the requirements of relevant law and regulations such as CA 2016.

**11. Board Committees**

- (a) The Board reserves the right to establish committees from time to time in the discharge of its duties and responsibilities.
- (b) Where a committee is formed, specific terms of reference of the committee would be established to serve as a guidance note which covers matters such as the purpose, composition and functions of the committee.
- (c) The Board shall approve such terms of reference of committees, having regard to its membership and composition against skill and experience of each Director.
- (d) The existence of committees does not diminish the Board's ultimate responsibility over the function and duties of the committees.
- (e) The following committees has been established, namely the following:

**(i) Audit and Risk Management Committee**

The Audit and Risk Management Committee assists in providing oversight on the Group's financial reporting, disclosure, regulatory compliance, monitoring of internal control processes within the Group and oversees the identification, monitoring and control of risks faced by the Group's business. The Audit and Risk Management Committee reviews the quarterly financial results, unaudited and audited financial statements, internal and external audit reports as well as situations of conflict of interests and related party transactions. It provides assurance to the Board that risk control measures and mitigation actions are in existence and continually reviewed.

**(ii) Nomination Committee**

The Nomination Committee oversees matters relating to review of the mix of skills, experience and other requisite qualities of Directors as well as the assessment of the effectiveness of the Board as a whole, its committees and the contributions of each Director, identify candidates to fill board vacancies, and nominating them for approval by the Board.

**(iii) Remuneration Committee**

The Remuneration Committee is primarily responsible for recommending to the Board the remuneration of the Directors, Group MD and senior Management in all its forms, drawing from external advice if necessary.

## 12. Directors' Remuneration

- (a) Executive Directors' remuneration is generally determined at levels which continue to attract and retain Directors of such calibre to provide skills and experience commensurable with the responsibilities for the effective management and operations of the Group.
- (b) For executive Directors, remuneration is structured to link short and long-term rewards to corporate and individual performance.
- (c) Remuneration of each Board member is to be disclosed in the annual report.

## 13. Board's Relationship with Shareholders and Stakeholders

- (a) The Board shall maintain an effective communications policy that enables both the Board and Management to communicate effectively and regularly with its shareholders, stakeholders and the general public.
- (b) It is the role of the Board to ensure that the Annual General Meeting ("AGM") and any other general meetings of the Company are conducted in an efficient manner and serve as a crucial mechanism in shareholder communications. Key ingredients behind this include the supply of comprehensive and timely information that enables shareholders to make an informed decision and the encouragement of active participation at the AGM.
- (c) The Board will focus its efforts on the following best practices to enhance the effectiveness of general meetings:
  - (i) Ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director.
  - (ii) ensure that each item of special business included in the notice be accompanied by a full explanation of the effects of the proposed resolution;
  - (iii) for re-election of Directors, ensure that the notice of meeting states which Directors are standing for election or re-election with a brief description to include matters such as age, relevant experience, list of directorships, date of appointment to the Board, details of participation in board committees and the fact that a particular Director is independent;
  - (iv) ensure that best practices to enhance the effectiveness of the general meetings are published on its corporate website in a dedicated corporate governance section;
  - (v) The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. Where appropriate and if required, the Chairman will also undertake to provide a written answer to any significant question which cannot be answered immediately; and
  - (vi) conduct a business presentation with a question and answer session, where appropriate and if required.
- (d) The Board shall take responsibility for addressing queries from Shareholders, stakeholders and analysts.
- (e) The Board appoints the Group MD to speak on behalf of the Group and to manage the communication of information to investors, other stakeholders and the public in an orderly and effective manner while adhering, at all times, to relevant laws and regulatory requirements.
- (f) Non-Executive Directors and Chairman to as far an extent as possible, shall avoid commenting on the Company to external audiences. This is to avoid confusion and to ensure that the Board speaks in one voice.
- (g) The Board shall have the relevant corporate disclosure policies and procedures to ensure

comprehensiveness, accuracy and timeliness in managing communication of information to investors, other stakeholders and the public in orderly and effective manner, while adhering to relevant laws and requirements. These policies and procedures shall ensure compliance with the relevant disclosure requirements as enumerated in the Listing Requirements.

- (h) The Company shall consider the use of information technology in communicating with internal and external stakeholders to
  - a) facilitate voting including voting in absentia; and remote shareholders' participation at general meetings.
  - b) conduct of a virtual general meeting (fully virtual or hybrid)
  - c) Provide a dedicated section for investor relations in the corporate website. This section shall provide information matters affecting shareholders' interest such as, amongst others, the Group's performance, corporate and sustainability strategies, priorities and targets, as well as performance against these targets. The Company's dedicated section for corporate governance shall include information such as the Charter, rights of shareholders and the annual report.

#### **14. Induction Process and Directors' Training Program**

- (a) The objective of the induction process and training program is to provide Directors with a rapid and clear insight into the Group as well as keeping them abreast of development in the market place pertaining to the oversight function of Directors. This will enable the Directors to discharge their duties and responsibilities effectively.
- (b) Induction of Directors may include, but not limited to, the following:
  - (i) furnishing of a copy of the previous board minutes for at least the past six (6) months; the business/strategic plan, pertinent Management reports; profile of key competitors and significant reports by management consultants on areas of board responsibilities;
  - (ii) visits to key sites; and
  - (iii) a formal one (1) to two (2) day induction program, including the elements above, and also presentations from various divisions on their strengths, weaknesses and ambitions.
- (c) Directors are required to undergo Mandatory Accreditation Program under the Listing Requirements.
- (d) The Nomination and Remuneration Committee and the Board in association with the Chairman shall decide on the continuous education training program for Directors.
- (e) All training attended by Directors and a brief description of the trainings must be disclosed in the annual report. Valid justifications for non-attendance at any training for Directors for the financial year must also be disclosed.
- (f) Directors takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

#### **15. Conflict of Interest and Related Party Transactions**

- (a) Directors are expected to avoid any action, position or interest that conflicts with interest of the Group, or give appearance of a conflict.
- (b) The Constitution stipulates that a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare his interest in accordance with the provisions of the CA 2016. The Director concerned shall not participate in

deliberations and shall abstain himself from casting his votes in any matter arising thereof.

- (c) Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, or a related company, the Director involved shall make full disclosure and act honestly in the best interest of the Company.
- (d) 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 with due honesty.
- (e) The Company Secretary shall maintain the register of dealings in securities and declarations of interest by Directors and report them to the Board as necessary.
- (f) Related party transactions, which include any financial transactions or conflict of interest situations between a Director/officer and the Group, shall be reported to the Board.
- (g) The Company Secretary shall facilitate the Directors' annual independence and conflict of interest declarations, which allow Directors to perform annual self-declaration on independence (for Independent non-executive Director) and conflict of interest (for all Directors). This exercise may constitute part of Board effectiveness assessment.

## **16. Board Performance**

- (a) The Board, with assistance of the Nomination and Remuneration Committees, shall evaluate its own performance and extent to which the Board has met the requirements of the Charter. Reference shall be made to the Nomination and Remuneration Committees' terms of reference for specific details.
- (b) Reviews the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.
- (c) The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

## **17. Ethical Standards**

- (a) The Board is expected to observe highest standards of ethical behavior as prescribed in the Company's Code of Conduct and Code of Ethics which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering. The Code of Conduct and Code of Ethics shall be read in conjunction with this Charter.
- (b) The Board supports and encourages policies within the Group which require Directors and employees to observe high standards of personal integrity and display honesty in their dealings.
- (c) The Board shall safeguard all internal communications and treat them as strictly private and confidential, and for use of the Board only unless officially published.

## **18. Review of Board Charter**

- (a) The Charter shall be reviewed periodically, especially when there are changes to the Listing Requirements, the Code, the Guide, CA 2016 and any new regulations that may have an impact on the discharge of the Board's responsibilities.
- (b) Any revision or amendment to the Charter will first be considered and deliberated by the Board.

- (c) Upon the Board's approval, the said revision or amendment shall form part of the Charter and the Charter shall be considered duly revised or amended.
- (d) Any updates to the principles and practices set out in this Charter shall be made available on the corporate website.

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