

<b>POLICY</b>	<b>COMPLETE LOGISTIC SERVICES BERHAD</b> <b>Registration No. 200501034100 (716241-X)</b>						
	Document Title:  <b>BOARD CHARTER</b>						
Document No.:	CLSB-POL002-01	Revision:	1	Page No.:	1 of 7	Date:	24-05-2022

## 1. INTRODUCTION

The Board Charter sets out the role, composition and responsibilities of the Board of Directors (“the Board”) of Complete Logistic Services Berhad. The Board is committed to discharging its fiduciary duties, both individually and collectively, according to the standards of integrity and professionalism, and according to the guidelines and best practices set out in the Malaysian Code on Corporate governance.

The conduct of the Board and Board Committees is also governed by the Company’s Constitution and the respective Terms of Reference of the various Board Committees.

## 2. COMPOSITION OF THE BOARD

### *2.1. Size and Composition of the Board*

The Board aims to have a well-balanced and effective mix of executive and independent non-executive directors, with each member having the right mix of skills and experience to set the direction and strategies for the businesses of each Company within the Group, and to implement and conduct such plans and strategies to continuously grow, strengthen and add value to the Company.

The composition and size of the Board is reviewed from time to time to ensure that it is appropriate, and is in compliance with regulations set by the authorities. Accordingly, at least one (1) of the member of the Board must be a woman director. In the event of any vacancy in the Board, resulting in non-compliance with regulations of the board composition, the Board must ensure that such vacancy is filled within 3 months.

### *2.2. Nominations and Appointments*

The members of the Board are appointed in a formal process in accordance with the Code, through the Nomination and Remuneration Committee (“NRC”).

The NRC will review and evaluate each nominated candidate’s qualifications and experience, before making a recommendation to the Board. All appointments of new directors must be approved by the existing directors.

All directors shall notify the Chairman and the Board before accepting any new directorship in any other Company.

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### ***2.3. Annual Performance Evaluation of the Board and Individual Directors***

The Board recognizes the importance of continuous self and independent evaluation of individual directors as well as the Board as a whole to ensure that the Board and its members are effective and can continue to discharge their duties at a high level of integrity and professionalism.

The NRC will therefore review and assess each director's individual performance and contribution to the Board and company every year, as well as evaluate the effectiveness and composition of the Board as a whole. The NRC will then report its review findings to the Board and make any recommendations for improvements if any.

### ***2.4. Re-election***

Retirements and re-elections to the Board of each director shall be in accordance with the Constitution of the Company.

### ***2.5. Independent Directors***

The roles, responsibilities and criteria for Independent Directors are set out in the Main Market Listing Requirements of Bursa Malaysia Berhad.

At least half of the total number of directors on the Board, must be independent directors. At least one independent director must be a qualified accountant who shall also be a member of the Audit Committee.

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine 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 years, it should justify and seek annual shareholders' approval through a two-tier voting process.

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### 3. ROLES AND RESPONSIBILITIES

#### 3.1. *Board Responsibilities*

The Board is primarily responsible for:

- a. Charting and setting the direction and objectives of the Group, as well as each individual business unit within the Group.
- b. Planning, adopting and implementation of strategic plans for the Group in line with these direction and objectives.
- c. Overseeing the conduct of the Group's business to determine whether the business is properly managed and meets its objectives, and to recommend and implement changes where necessary.
- d. Reviewing and approving any new ventures, major acquisitions and disposals.
- e. Identifying principal risks and ensuring the implementation of appropriate and adequate controls and systems to monitor and manage these risks.
- f. Reviewing of performances, appointments, training and succession planning of senior management personnel in each individual business division within the Group.

#### 3.2. *Directors' Responsibilities*

The Executive Directors are tasked to implement the strategic plans and objectives set by the Board, and to manage the day-to-day operations of the business to ensure growth and sustainability of the businesses.

The Non-Executive Directors provide independent and objective assessment and judgments on the direction, strategies, plans and performances of the Group.

#### 3.3. *Specific Responsibilities of the Board*

The following are specific responsibilities of the Board collectively which may vary from time to time as determined by the Board:

- a. Set and review limits of authority and clearly defined roles and terms of reference for the various Board Committees, the Executive Directors and any senior management personnel.
- b. Formulate and review strategic business plans and budgets.
- c. Review the overall quality and completeness of the audited and quarterly financial statements.

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- d. Appointment and removal of external auditors and company secretary, and approve their remuneration.
- e. Review, evaluate and approve corporate restructuring exercises, business and/or investment proposals, both for new and existing businesses, including setting up, dissolution, acquisition and/or disposal of subsidiaries, business segments and material assets.
- f. Identify and evaluate the various industry, business and organization risks. Implement and continually improve the risk management systems and controls to mitigate such risks.
- g. Review and approve any related party transactions (“RPTs”), mandated and non-mandated recurrent RPTs.

#### ***3.4. Separation of Roles between Chairman of the Board and Chief Executive Officer***

There must be a clear separation of roles and responsibilities between the Chairman of the Board and the Chief Executive Officer (or Managing Director) (“CEO”). This is to ensure a balance of power and authority.

The Chairman must be a non-executive member of the Board, and his or her responsibilities are as follows:

- a. Ensure the smooth and effective working of the Board.
- b. Ensure the right composition of the Board, subject to the Board and shareholders’ approvals.
- c. Ensuring that all relevant issues are address on the agenda of Board meetings.
- d. Ensuring all Directors participate in the Board’s activities. This includes ensuring that the Board receives relevant and timely information and advice from the management and/or independent advisors to enable them to make sound and informed decisions.
- e. Ensuring that the Executive Directors give a true, fair and full account of the condition and state of the Group’s businesses, operations and cash flows.

The responsibilities of the CEO include the following:

- a. To develop and implement corporate strategies for the Group.
- b. To regularly review the performance of the Boards and senior management personnel of each of the Group’s business divisions to ensure that they are effective and achieving the objectives set by the Group.
- c. To assess business opportunities with potential that may benefit and add value to the Group.
- d. To bring to the attention of the Board any material and other relevant matters that may have significant impact on the Group.

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### **3.5. Board Committees**

The Board has established the following Committees to assist in carrying out certain defined functions in meeting its responsibilities. These include:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Risk Management Committee

These Committees operate based on the terms of reference defined by the Board.

## **4. BOARD PROCESSES**

### **4.1. Board Meetings**

The Board meets at least four (4) times a year, with additional meetings to be convened whenever necessary. The process for convening a meeting of the Board is set out in the Constitution of the Company.

A member of the Board or of a Committee may participate in the Board or Committee meeting by means of a conference telephone or any other audio or audio-visual communication equipment which allows all persons participating in the said meeting to hear and speak with each other.

A set of Board papers relevant to the business of the meeting shall be circulated to all directors at least five (5) business days prior to the said meeting, setting out the matters to be discussed. Urgent papers may also be presented and tabled at the meetings under “other matters” in the agenda.

Senior management personnel and external independent advisors may be invited to attend the Board meetings or Committees to brief and provide professional and objective advice to enable the Board to deliberate and decide on the matters tabled for the Board’s deliberation.

Minutes of the Board and Committee meetings, together with the decisions made by way of resolutions passed are to be duly recorded and circulated to the Board members accordingly.

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#### ***4.2. Board Access to Management and Independent Advisors***

The Board and Directors shall have access to management and, as and when required, to the Group's independent advisors, for professional and objective information and advice to enable them to make sound business judgments and discharge their duties more effectively. However, unless the matter relates to operation of Board Committees or duties of the Company Secretary, the ordinary course of communications between the Non-Executive Directors and senior management should be through the Chief Executive Officer and the Chairman.

#### ***4.3. Directors' Training***

In addition to the Mandatory Accreditation Program as required by Bursa Malaysia Securities Berhad, the Directors shall attend seminars and training programs to equip themselves with knowledge to effectively discharge their duties. The Board shall assess each director individual training needs and ensure that they have access to continuing education programs.

#### ***4.4. Directors' Remuneration***

The Nomination and Remuneration Committee ("NRC") is responsible for setting and reviewing an appropriate remuneration policy of the Group.

The NRC will review each Directors' performance and contribution to the Board and Company before making recommendations to the Board on an acceptable and appropriate level of remuneration for the Board members. The NRC may also review and recommend the remuneration of some of the senior management personnel within the Group's companies.

No member of the Board shall decide on his or her own remuneration.

## **5. CODE OF CONDUCT**

The Code of Ethics and Conduct is to be observed by all Directors and employees of the Group at all times. The core areas of the Code are:

- a. Compliance at all times with the Code of Ethics and Conduct and the Board Charter.
- b. To discharge fiduciary duties with utmost care, diligence, good faith and accountability, and in the best interests of the Group and Company.

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- c. Ensure the protection of the Group and Company's legitimate business interests, including existing and new potential businesses.
- d. Observe high standards of corporate governance at all times.
- e. Not to misuse information and/or do any acts which may result in conflicts of interests.
- f. Ensure full, true, fair, and timely disclosures and declarations of personal, or business interests which may result in conflicts of interests.

The Board will review the Code of Ethics and Conduct regularly to ensure that it continues to remain relevant.

## **6. REVIEW OF THE BOARD CHARTER**

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

This Charter was adopted by the Board on 24 May 2022 and is made available on the Company's website, <https://www.complete-group.com>.