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| POLICY | HEXTAR GLOBAL BERHAD Registration No. 199001014551 (206220-U) | | |  | | | |
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1. INTRODUCTION

- 1.1** The Board of Directors (“the Board”) of Hextar Global Berhad (“Hextar” or “Company”) regards corporate governance (“CG”) as vitally important to the success of Hextar’s business. Hextar and its subsidiaries (“referred to as “Hextar Group”) is committed to practice good CG in accordance with the Malaysian Code of Corporate Governance (“MCCG”).
- 1.2** The Board shall be responsible for:
- (a) setting up Hextar Group’s strategic aims to ensure that the resources are in place in order to achieve its purpose and review its management’s performance and affairs of Hextar Group.
 - (b) maintaining and upholding Hextar Group’s core values of integrity, standards and enterprise with due regard to their fiduciary duties and responsibilities.
 - (c) applying the highest standards of CG in the pursuit of Hextar Group’s commercial objectives.
 - (d) safeguarding Hextar Group’s commitment to its shareholders and stakeholders.

2. OBJECTIVES


The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislation and regulations affecting their conduct and to ensure that the principles and practices of good CG are applied in all their dealings in respect, and on behalf of the Company.

This Board Charter serves as a primary source of reference and primary induction literature to provide insights to the existing and prospective Board members and senior management.

This Board Charter sets out the following:

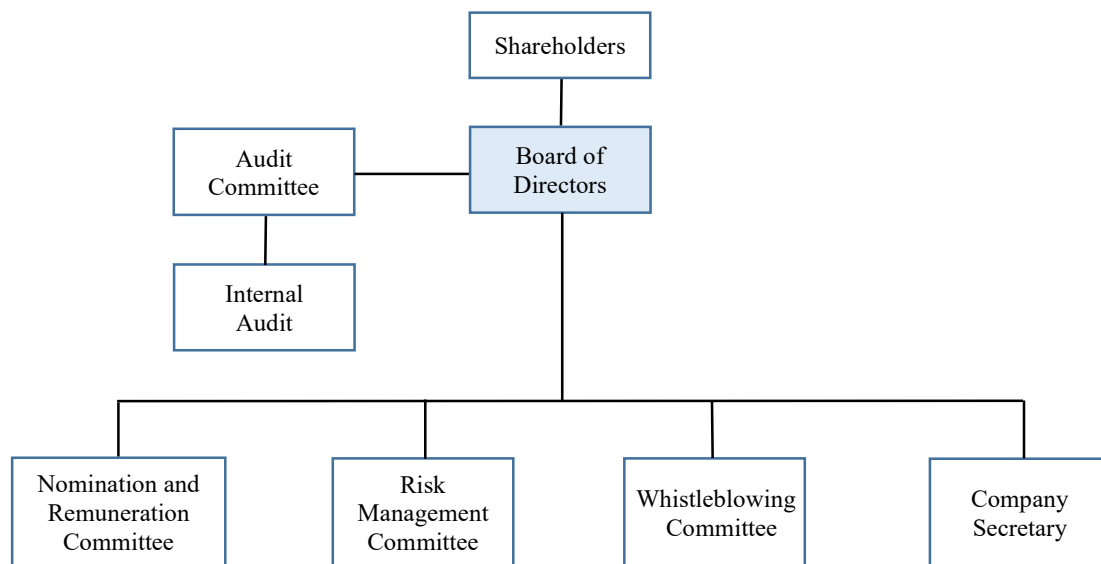
- (i) the core values, guidance and principles for Board and Management concerning what is expected from them on their roles and responsibilities of the Board and various Board committee (“Board Committees”) in discharging of the Board and the Board Committees for the benefit of the Company and its stakeholders; and
- (ii) the composition of the Board and the Board Committees, role and responsibilities of the Board and delegation of its responsibilities, general conduct of the Board, board leadership, assessment and other related matters.

This Board Charter is subject to the provisions of the Companies Act 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the practice and guidance of the MCCG and any other applicable laws or regulatory requirements.

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3. BOARD STRUCTURE


The governance structure of the Hextar Board is as follows:



3.1 Board Composition

- 3.1.1 The Board must comprise a balance on Non-Executive Directors (including Independent Non-Executive Directors) and Executive Directors such that no individual or a group of individuals can dominate the Board’s decision making.
- 3.1.2 The Board shall consist of qualified individuals with diverse set of skills, experiences, backgrounds and perspectives, diversity, and independence in facilitating the discussion review and decision in order to discharge their duties and responsibilities.
- 3.1.3 The composition of a board influences the ability of the board to fulfil its oversight responsibilities. An effective board should contain the right group of people, with an appropriate mix of skills, knowledge, experiences, and independent elements that fit the Group’s objectives and strategic goals. The right board composition will ensure sufficient diversity and independence to avert ‘groupthink’ or ‘blind spots’ in the decision-making process. It also enables the Board to be better equipped to respond to challenges that may arise and deliver value.
- 3.1.4 The Board members shall comprise of at least two (2) directors or one-third (1/3), whichever is the higher, of the Board members must be Independent Directors. At least half of the Board should comprise Independent Directors in the event of Hextar falls under as Large Companies as per MCGG.


The Company’s Constitution states that unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2) and not more than twelve (12).

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- 3.1.5 In the event of any vacancy in the Board, resulting in non-compliance with regulations of the board composition, within three (3) months from such occurrence of the event, the Board must appointment new board members to comply with the regulations.
- 3.1.6 The composition and size of the Board will be reviewed from time to time to ensure that it is appropriate, effectiveness, and is in compliance with regulations set by the authorities.
- 3.1.7 Pursuant to Paragraph 15.06 of MMLR, the Directors must not hold more than five (5) directorships in the listed companies on Bursa Securities.
- 3.1.8 On boardroom diversity, the Board is supportive of the gender boardroom diversity recommended by MCCG. The NC will continuously review the Board composition taking into the consideration the appropriate competence, experience, character, integrity discharge his/her roles as a director. The intended outcome of an effective board is to be made objectively in the best interests of the Hextar Group taking into account diverse perspectives and insights.
- 3.1.9 The Board shall have at least one (1) woman director on the Board. The Board also shall endeavour to meet the target of 30% women Directors on the Board to bring in a diversity of perspectives and encourage women participation during Board deliberation and decision-making in line with Practice 5.9 of MCCG.

3.2 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 Nomination Committee.
- 3.2.2 The selection criteria for a new Director, the Nomination Committee shall consider the character, competence, experience, integrity, and time commitment of the candidate, including the following factors:
- age and gender;
 - skills, knowledge, and expertise;
 - culture, background, and diversity;
 - professionalism;
 - contribution and performance;
 - satisfactory assessment of Fit and Proper policy; and
 - in the case of candidates for the position of Independent Non-Executive Directors, the Board shall also evaluate the candidates' ability and independency to discharge such responsibilities as are expected from Independent Non-Executive Directors.
- 3.2.3 A new appointed directors are expected to have such expertise so as to qualify them to make positive contribution to the Board performance of its duties and to give sufficient

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time to attend the Company's meetings, to the affairs of the Hextar Group before accepting his/her appointment.


- 3.2.4 A new appointed Directors shall provide to Bursa Securities an undertaking letter prescribed by Bursa Securities in any event not later than fourteen (14) days as required under MMLR.
- 3.2.5 Directors are required to seek prior consent from the Chairman of the Board before they accept any new directorship in other public listed companies. In the event it involves the Chairman of the Board, the matter shall be decided by the Chairman of the Nomination Committee.
- 3.2.6 The Group is discouraged from appointing active politicians on the board as encouraged under MCCG. A person is considered politically active if he is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council, or division level in a political party.
- 3.2.7 The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointment of new Directors are properly executed.

3.3 Tenure of Directors

- 3.3.1 Pursuant to Constitution of the Company, at annual general meeting, one-third (1/3) of the Directors for the time being, or if their number not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the AGM in every year provided always that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election.
- 3.3.2 Subject to the Act, the Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 3.3.3 The tenure of an Independent Director shall not exceed a cumulative term limit of nine (9) 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 (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process in accordance with MCCG.

- 3.3.4 Independent Director who has served in any one or more of the said Corporation (as defined in para 3.4.1(a) below) for a cumulative period of more than 12 years from the date of his first appointment as an Independent Director shall retire or re-designate as Non-Independent Director, in accordance with MMLR.
- 3.3.5 Pursuant to Paragraph 15.05 of MMLR, a candidate shall not be considered fir for directorships if he/she:

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- (a) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation;
 - (b) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence, involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
 - (c) has been convicted by a court of law of an offence under the securities laws of Malaysia or Act;
- within a period of 5 years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.

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


- (a) falls within the circumstances set out in Section 208 of the Act;
- (b) is absent from more than 50% of the total board of directors' meetings held during a financial year; or
- (c) is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences set out in 3.3.5 above.

3.4 Board Independence

3.4.1 Paragraph 1.01 of MMLR defines an Independent Director means a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company

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

- (a) is not, and has not been within the last 3 years, an officer of the applicant, listed issuer or any related corporation of such applicant or listed issuer (each corporation is referred to as "said Corporation"). For this purpose, "officer" has the meaning given in Section 2 of the Act but excludes a director who has served as an independent director in any one or more of the said Corporations for a cumulative period of less than twelve (12) years;
- (b) is not a major shareholder of the said Corporation;
- (c) is not a family member of any executive director, officer or major shareholder of the said Corporation;
- (d) is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation;

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- (e) has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by the Exchange, or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange;
- (f) has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange, 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 applicant or listed issuer) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange;
or
- (g) has not served as an independent director in any one or more of the said Corporations for a cumulative period of more than 12 years from the date of his first appointment as an independent director.

3.4.2 The roles of the Independent Directors are vital in providing independent judgement, experience, and objectivity to ensure all issues proposed by Executive Directors and senior management are fully discussed and examined without being subordinated to operational considerations.

3.4.3 Independent Directors helps to ensure that the long-term interests of all shareholder, stakeholders such as employees and business associates, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

3.4.4 The Board shall appoint at least one (1) Senior Independent Director (“SID”). The roles of the SID are as follows:

- (a) serves as a sounding board to the Chairman;
- (b) leads the performance evaluation of the Chairman;
- (c) serves as an intermediary for other Directors when necessary;
- (d) encourages objectivity in instances whereby the Chairman and Managing Director/Group Chief Executive Officer are related;
- (e) acts as point of contact for shareholders and other stakeholders particularly on concerns which cannot be resolved through the normal channels of the Chairman and/or Managing Director/Group Chief Executive Officer;


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- (f) ensures all Independent Non-Executive Directors have the opportunity to provide input on agenda, and advise the Chairman on quality, quantity and appropriateness of the information submitted by the management that is necessary for the Independent Non-Executive Director to perform their duties effectively;
- (g) chair meetings of the Board, in the absence of the Chairman;
- (h) leads the succession planning and appointment of Board members, including the future Chairman and Managing Director/Chief Executive Officer; and
- (i) leads the annual review of Board effectiveness, ensuring that the performance of each individual Director is assessed objectively and holistically.

4. ROLES AND RESPONSIBILITIES

4.1 The Board


- 4.1.1 The Board is in charge of leading and managing the Group in an effective and responsible manner in ensuring Hextar's long-term success and delivering sustainable value to its shareholders and stakeholders. Each Director has a legal duty to act in the best interest of the Group in accordance with the Act. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Group are managed.
- 4.1.2 Duties of the Board include establishing the corporate vision and mission as well as the philosophy of the Group, setting the aims of the management and monitoring the performance of the management. The Board should ensure that its obligations to its shareholders and stakeholders are understood and met. In order to meet the Group's objectives and to review the management's performance, the Board should ensure the necessary resources are in place.
- 4.1.3 In discharging its fiduciary duties and responsibilities, the Board adopted the following corporate governance guideline:-
 - (a) setting the Group's vision, mission, objectives, goals and strategic plans with a view to maximizing shareholders' value as well as ensuring long-term sustainability of the Group's performance;
 - (b) together with senior management, promoting good corporate governance culture within the Group which reinforces ethical, prudent, and professional behavior;
 - (c) adopting and monitoring progress of the Group's strategies, budgets, plans and policies;
 - (d) overseeing and evaluating the conduct of the Group's businesses to ensure the business are properly managed and conducted including supervising and assessing corporate behaviour and conduct of the business of the Group;

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- (e) establishing and ensure that the risk management and internal control framework is sound and effective;
- (f) understand and identifying the principal risks of Hextar Group and ensuring the implementation of appropriate internal controls and systems, and mitigate measures to achieve a proper balance between risk incurred and potential returns to the shareholders;
- (g) reviewing, challenging, and deciding on the management’s recommendations and proposals for Hextar Group on key issues including venture in new business, all acquisitions, divestments, restructuring, funding, and significant capital expenditure and monitoring its implementation by the Management;
- (h) ensuring there is an orderly succession of senior management positions who are of high talent and have the necessary skills and experience. The Board delegates to the Nominating Committee and Remuneration Committee to review succession plans and remuneration packages for the Directors respectively. The Board also ensures that there are appropriate policies for training, appointment, and performance monitoring of management positions;
- (i) ensuring Hextar Group has in place procedures to enable effective and timely communication with shareholders and stakeholders;
- (j) reviewing and approving financial statements;
- (k) reviewing and approving the Audit Committee, Risk Management Committee, Nominating Committee and Remuneration Committee reports at the end of each financial year;
- (l) reviewing and approving the contents of the Company’s annual report;
- (m) ensuring the integrity of the Company’s financial and non-financial reporting; and
- (n) undertaking a formal and objective annual evaluation to determine the effectiveness of the Board, the Board Committees and each individual Director.
- (o) ensure a collaborative and constructive relationship between the Board and Senior Management.
- (p) ensure that the Group adheres to high standards of ethics and corporate behaviour.
- (q) reviewing and approving any related party transactions (“RPTs”), mandated and non-mandated recurrent related party transactions (“RRPTs”).

Directors shall at all times exercise their powers in accordance with the Act, for a proper purpose and in good faith in the best interest of the Group.

4.1.4 The Board need to assure that the subsidiaries of the Company and their directors adhere to the following:-


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- (a) The subsidiaries and their directors must provide the Company with any information requested by the Company to enable the Board to oversee the performance of the said subsidiaries effectively, including assessing non-financial performance of Hextar Group;
- (b) The subsidiaries and their directors must cause to be kept the accounting and other records to:-
 - (i) sufficiently explain its business, transactions and financial position;
 - (ii) enable the preparation of true and fair financial statements; and
 - (iii) enable the accounting and other records to be conveniently and properly audited.
- (c) The subsidiaries and their directors must provide the Company with all information and record necessary to enable the preparation of the consolidated financial statements in accordance with the approved accounting standard;

The information and records required under 4.1.4 (b) and (c) shall be kept for not less than seven (7) years from the completion of transactions or operations to which the entries or records relate.


4.1.5 The Board reserves a formal schedule of matters for the Board's deliberation and approval. This includes, among others, the following matters:-

- (a) Strategic issues and planning, including sustainability;
- (b) Budget and performance reviews;
- (c) Quarterly financial results and audited financial statements;
- (d) Key human resources issues;
- (e) Capital expenditures;
- (f) Material borrowings;
- (g) Treasury policies;
- (h) Declaration of dividends;
- (i) Material acquisitions and disposals of undertakings and assets;
- (j) Changes to the management and control structure within Hextar Group, including key policies, procedures and delegated authority limits of Hextar Group;
- (k) Proposed appointment of external auditors and their audit fees; and
- (l) Venture in new business.

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4.2 The Chairman

- 4.2.1 The Chairman of the Board shall be an Independent Non-executive Director.
- 4.2.2 The Chairman is elected by the Board members to provide leadership at Board level and represents the Board to the shareholders and other stakeholders. The Chairman will act independently in the best interest of the Group.
- 4.2.3 The Chairman is responsible for ensuring Board effectiveness and promoting the highest standards of integrity, morality and corporate governance throughout the Group.
- 4.2.4 The responsibilities of Chairman are amongst others, as follows:-
- (a) chairs general meetings of the Company
 - (b) providing leadership to the Board so that the Board can perform its responsibilities efficiently and effectively
 - (c) in consultation with the Managing Director/Group CEO and the Company Secretary, setting the Board agenda and all relevant issues are on the agenda;
 - (d) reviewing the minutes of meetings of the Board before meeting, to ensure they accurately reflect the Board's deliberations, and matters arising from the minutes and on which further action is required have been addressed;
 - (e) ensuring that the Board receives relevant, complete, accurate information and advice from the management and/or independent advisors in a timely manner to enable them to make sound and informed decisions;
 - (f) encouraging active participation and allowing dissenting views to be freely expressed;
 - (g) leading the Board in setting the values and standards of the Group;
 - (h) maintaining a relationship of trust with and between the Executive Directors and Non-executive Directors;
 - (i) leading Board meetings and discussions and acting as a facilitator at Board and ensuring appropriate level of interaction among board members;
 - (j) encouraging non-executive directors to meet among themselves at least annually to discuss among others strategic, governance and operational issues;
 - (k) promoting constructive and respectful relations between Directors and senior management;

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(l) representing the Board to shareholders and ensuring appropriate steps are taken to provide effective communication with shareholders and relevant stakeholders and that their views are communicated to the Board as a whole;

(m) leading the Board in establishing and monitoring good corporate governance practices in the Group; and

(n) ensuring compliance with all relevant rules, regulations and legislation.

4.2.5 The positions of Chairman and Managing Director/Chief Executive Officer are held by different individuals.

4.2.6 The Chairman should ensure that Board Committee meetings are not combined with the main Board meeting.

4.3 Chief Executive Officer (“CEO”) or Managing Director (“MD”)

4.3.1 The CEO/MD has the executive responsibility for the day-to-day operation of the Group’s business, and the implementation of the agreed business policies and directions set by the Board and of all operational decisions in managing the Group.

4.3.2 The CEO/MD serves as the conduit between the Board and the Management in ensuring the operational, financial and governance practices are performed at the highest level of integrity and transparency and that the business and affairs of Hextar Group are carried out in an ethical manner and in compliance with the relevant laws and regulations.

4.3.3 The CEO/MD is appointed by the Board upon recommendation of the Nominating Committee.

4.3.4 All Board authorities conferred on the Management is delegated through the CEO/MD and this will be considered as the CEO/MD’s authority and accountability as far as the Board is concerned.

4.3.5 Generally, the CEO/MD is accountable to the Board for, among others, the following:-:


(a) overseeing the day-to-day business operations of the Group;

(b) ensuring that the applicable rules and regulations for the conduct of affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation;

(c) develop, recommend, and implement short and long terms corporate strategies for the Group as well as contributes to strategy and runs the Group to meet its objectives and is accountable to the Board;

(d) operate within the delegated authority limits set by the Board;


(e) managing resources within budgets approved by the Board;

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- (f) developing an organisational structure and to establish process and system to ensure the efficient utilisation of resources;
- (g) develop, implement, and manage the Group's risk management and internal control system within the risk appetite as approved by the Board;
- (h) supervise heads of segments and departments who are responsible for all functions contributing to the success of the Group;
- (i) maintaining awareness of the competitive market landscape, expansion opportunities and industry developments;
- (j) ensuring that the Group maintains high social responsibility wherever it does business;
- (k) ensure the efficiency and effectiveness of the operation for the Group;
- (l) assess all business opportunities which are potentially benefit to the Group;
- (m) creating and implementing the Company's vision and mission;
- (n) provide the Board with accurate, timely and clear information to enable the Board to perform its responsibilities; and
- (o) serving as a focal point for stakeholders' communication and engagement on corporate governance issues.

4.4 Executive and Non-Executive Directors

- 4.4.1 Executive Directors are, as employees of the Company who involved in the day-to-day management of the Group.
- 4.4.2 Executive Directors assist the Board in decision-making process through their technical expertise and knowledge of the business and its industry.
- 4.4.3 Executive Directors, with the help of management, assist the Board in facilitating the orientation of new Directors and Director training and development.
- 4.4.4 Non-Executive Directors is a member of the Board who is not an employee of the Company. Non-Executive Directors can be categorised as:-
 - those who have no direct or indirect monetary interest in the Company other than their Directors' emoluments and their permitted shareholdings in the Company;
 - those who are not employees of the Company or affiliated with it in any other way and are not involved in the day-to-day running of business but may have a monetary interest in the Company, whether direct or indirect; or


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- those who are not employees of the Company but are standing as nominees for substantial shareholders.

- 4.4.5 Non-Executive Directors should question intelligently, debate constructively, challenge rigorously and decide dispassionately.
- 4.4.6 Non-Executive Directors need to be sound in judgement and to have an inquiring mind.
- 4.4.7 Non-Executive Directors may act as a bridge between management, shareholders and other stakeholders. They should provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.
- 4.4.8 The responsibilities of Non-Executive Directors are, amongst others, as follows:-
- (a) advising and directing management in the development and evaluation of strategy;
 - (b) scrutinising the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance;
 - (c) satisfying themselves that the financial information presented is accurate; and
 - (d) reviewing the risk management and internal control system to ensure that they are effective.

5. BOARD COMMITTEES

- 5.1 The Board may from time to time establish Board Committees as is considered appropriate to assist in carrying out its duties and responsibilities. The Board has delegated some of its powers and functions to the following Board Committees with specific terms of reference:
- (a) Audit Committee;
 - (b) Nomination and Remuneration Committee;
 - (c) Risk Management Committee; and
 - (d) Whistle Blowing Committee.
- 5.2 The Chairman of the Committees reports to the Board on the outcome of the Committee meetings and such reports or minutes are included in the board papers. These Board Committees are tasked to examine specific areas and issues and report to the Board on their deliberations together with recommendations. However, the ultimate responsibility for the final decision on all matters lies with the Board.
- 5.3 The management and third parties are co-opted to the Board Committees as and when required. Details of the membership and a summary of the terms of reference of each committee appointed by the Board are published in the Annual Report.

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5.4 These Board Committees do not make decision on behalf of the Board. Each Board Committee will have the authority to examine particular issues within its terms of reference and make the necessary recommendations to the Board for its consideration and decision making.

5.5 The duties and powers delegated to these Board Committees are set out in the Terms of Reference of each Board Committee as approved by the Board and available on the Company's website at <https://www.hextarglobal.com/ir.php>

6. BOARD MEETINGS

6.1 Board meetings are the fundamental component of governance processes as they are the main opportunity for Directors to obtain and exchange information with the senior management team for decision making.

6.2 All Directors shall commit his/her best effort to attend and actively participate in all the meetings of the Board and the Board Committees of which such Director is a member.

(a) Frequency

The Board shall conduct at least four (4) times on a quarterly basis in each financial year with additional meetings to be convened if necessary. The Company Secretary shall in advance prepare and distribute to all Directors a timetable for the meetings for the year.

(b) Notice and Agenda

The notice of Board Meetings, detail agenda, meeting materials and the supporting Board Papers should be distributed at least five (5) business days, or shorter notice where it is unavoidable, prior to each Board meeting, allowing Directors sufficient time to review the same. The urgent matters required to be discussed will be presented and tabled at the meetings under "Any Other Business" in the agenda.


Directors are expected to review in advance Board Papers to facilitate meaningful deliberation during each meeting. The agenda shall include, amongst other things, matters specifically reserves for the Board's decision.

Directors are well informed and have the opportunity to seek additional information and are able to obtain further clarifications should such a need arise. Where necessary, the services of other senior management or external consultants will be engaged to clear any doubt or concern.

The agenda shall address high-priority strategic and operational issues, where required, and the Chairman shall ensure that there is sufficient time for discussion.

(c) Mode of Meeting

The Directors may participate at a Board Meeting or any Board Committee meeting by conference telephone, video, electronic or such other communication facilities which would permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. The physical presence of Director(s) is not compulsory

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and participation at such Board Meeting in the aforesaid manner shall be deemed to constitute presence in person at such meeting. The Directors participating at any such Board Meeting shall be counted in the quorum for such meeting.

All resolutions agreed upon by the Directors at such a meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. All information and documents must be made equally available to all participants prior to, at or during the Board Meeting. The participation in a meeting by means of a conference telephone or similar electronic telecommunication device shall be treated with confidence, and he/she shall prevent any leakage of information/materials to any third party.

Directors are expected to strictly observe confidentiality of Company information from any third party.

(d) Quorum

The Directors may meet together for the despatch of business at such time and place, adjourn and otherwise regulate their meetings and proceedings as they think fit. The quorum necessary for the transaction of the business of Directors shall be two (2).


(e) Chairman's role in meeting

In the absence of the Chairman, the members present shall elect a Chairman from amongst themselves to chair the meeting. The Chairman should encourage constructive and healthy debate and allows dissenting views to be freely expressed during Board meeting.

(f) Attendance

The Board must disclose the number of Board meetings held in a year and details of attendance of each individual Director in respect of meetings held.

All Directors must meet the minimum 50% attendance requirement imposed by the MMLR. Senior management who are not Directors may be invited to attend and speak at Board meetings on certain matters relating to their areas of responsibility. The Board may also invite external parties such as auditors, solicitors and consultants to attend as and when the need arises.

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(g) Voting

All resolutions of the Board shall be adopted by a simple majority vote, each member having one vote. In the case of equality of votes, where two (2) Directors form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue, shall not have a casting vote. Otherwise in the case of an equality of votes the Chairman shall have a second or casting vote.

Directors are required to inform the Board of conflicts or potential conflict of interest that they may have in relation to a particular subject matter or business transaction. These Directors shall abstain from deliberation and voting on those matters.

(h) Minutes


The Company Secretary is responsible for the integrity of the Board documents, including the Minutes of the Board meetings. The minutes shall record the proceedings of the meeting, important issues, inquiries or responses, members' suggestions and the decisions made, including any dissenting views and if any director had abstained from voting or deliberating on a particular matter. Minutes of meeting shall be circulated to all members of the Board in a timely manner.

(i) Directors' Written Resolution

In the event matters requiring the Board's decision arise between Board Meetings, such matters shall be resolved through written resolutions which shall be supported by relevant papers setting out details of the subject matter. Such written resolutions signed or approved by a majority of the Directors entitled to vote and sign on the resolution, if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Director shall be as valid and effectual as if it were a resolution duly passed at a Board Meeting. Such resolutions may consist of several documents in like form, each signed by one or more Board members.

7. REMUNERATION OF DIRECTORS

The Board acknowledges the importance of motivating and retaining qualified members of the Board is indispensable for driving the Company forward in the realisation of its business objectives and strategic goals.

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Hextar aims to set remuneration at levels which are sufficient to attract and retain the directors needed to run the Group successfully, taking into consideration all relevant factors including the demands, function, workload, complexities of the Group's business and responsibilities involved, performance of the Group and skills and experiences required.

The remuneration of the Executive Directors is structured on the basis of linking rewards to corporate and individual performance. The level of remuneration for the CEO/MD is determined by the Remuneration Committee after giving due consideration to the performance of Hextar Group and achievement of the goals set for the CEO/MD at the beginning of the year.

The Board should ensure that the remuneration and incentives for independent directors are not in conflict with their obligation to bring objectivity and independent judgment on matters discussed at Board meetings.

The fees and any benefits payable to the Directors shall be subject to annual shareholder approval at a general meeting.

The Directors shall be paid all traveling, hotel and other reasonable expenses, properly and reasonably incurred by them in the execution of their duties including any such expenses incurred in connection with attending and returning from meetings of Directors or Board Committees or any other meetings of the Company in connection with the business of the Company in the course of the performance of their duties as Directors.

The board is also guided by market and industry practices, business strategy and long-term objective of the Group in determining the amount of compensation to be paid to the CEO/MD and other directors.


The Board has established a formal and transparent process for approving the remuneration of Directors, whereby the NRC is responsible for reviewing the remuneration policies and procedures and making recommendations on the same to the Board for approval. In its review, the NRC will consider various factors including fiduciary duties, time commitment expected of them and the Group's performance.

8. INDUCTION AND TRAINING FOR BOARD MEMBERS

The objective of the induction and training programme is to provide Directors with a prompt and clear insight into the Group as well as keeping them well-informed with developments in the marketplace in relation to their responsibilities as Directors.

In addition to the Mandatory Accredited Programme (MAP) as required by MMLR, Board members are also encouraged to attend seminars, training programmes organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with the relevant changes in laws, regulations and the business environment.

The Board with the assistance of the Nominating Committee, shall assess the training needs of the Directors from time to time, to ensure that Directors have access to training courses or seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors as well as continuing education programme to update their knowledge and skills to sustain their active participation in Board deliberations and effectively discharge their duties.

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Directors are expected to attend a minimum of one (1) training session a year, at the expense of the Company.

The Board is also constantly updated by the Company Secretary on changes/amendments to the relevant regulatory and statutory requirements.

9. GENERAL MEETINGS

9.1 Annual General Meeting (“AGM”)

- 9.1.1 The Company regards the general meeting as an important event in the corporate calendar of which all Directors and key senior management should attend.
- 9.1.2 The Company regards the general meeting as the principal forum for dialogue with shareholders and aims to ensure that the general meeting provides an important opportunity for effective communication with, and constructive feedback from the Company’s shareholders
- 9.1.3 The Chairman encourages active participation and supports meaningful engagement between the Board, key senior management and shareholders during the general meeting.
- 9.1.4 The Company leverages on technology to facilitate remote shareholders’ participation and voting through electronics means at the general meeting
- 9.1.5 All resolutions tabled at the general meeting will be conducted by poll voting.
- 9.1.6 The Chairman and where appropriate, the CEO/MD or the Chairman of Board Committees will respond to shareholders’ queries during the general meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.
- 9.1.7 The Company shall in each year hold an AGM within six (6) months of the Company’s financial year end and not more than fifteen (15) months shall elapse between the date of one AGM and that of the next.
- 9.1.8 The notices convening an AGM shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least twenty-eight (28) days before the meeting. Any notice of meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least twenty-eight (28) days’ notice of such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper.
- 9.1.9 No business shall be transacted at any General meeting (“GM”) unless a quorum is present when the meeting proceeds to business. For all purposes, two (2) members present in person or by proxy, or, in the case of corporations which are members, present by their representatives appointed pursuant to the provision of the Company’s Constitution and entitled to vote shall be a quorum.

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9.2 Extraordinary General Meeting (“EGM”)

- 9.2.1 The Company may also convene an EGM other than AGM to transact other businesses.
- 9.2.2 The Directors may whenever they think fit, convene a GM. GMs shall also be convened on any requisition made in accordance with the provisions of the Act, or if the Company makes default in convening a GM in compliance with a requisition received pursuant to Section 311 of the Act, a GM may be convened by such requisitions in the manner provided in Section 313 of the Act. Any GM convened by requisitions shall be convened in the same manner, as nearly as possible, as that in which GMs are to be convened by the Directors.
- 9.2.3 Subject always to the provisions of Section 323 of the Act, no business shall be transacted at a GM except business of which notice has been given in the notice convening the GM.
- 9.2.4 The notices convening a GM shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed. At least fourteen (14) days’ notice or twenty-one (21) days’ notice in the case where any special resolution is proposed of such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper.
- 9.2.5 No business shall be transacted at any GM unless a quorum is present when the meeting proceeds to business. For all purposes, two (2) members present in person or by proxy, or, in the case of corporations which are members, present by their representatives appointed pursuant to the provision of the Company’s Constitution and entitled to vote shall be a quorum.


10. ACCESS TO INFORMATION

All Directors shall have unrestricted access to the management to any information pertaining to the Group, including access to the advice and services of the Company’s auditors and consultants, Company Secretary, which is relevant to the furtherance of their duties and responsibilities as Directors of the Company at the expense of the Company.

11. INDEPENDENT PROFESSIONAL ADVISE

In discharging the Directors’ duties, each Board member is entitled to obtain independent professional advice at the expense of the Company. This is for advice deemed relevant and necessary for the Directors to discharge their duties for the overall benefit of the Company.

In such circumstances, the Director shall first discuss it with the Chairman and provide the request to seek professional independent advice for the Board’s consideration and approval. It must be noted that such a restriction is not applicable to the Executive Director who is acting in his or her capacity of the furtherance of his/her executive responsibilities and within his/her delegate powers.

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12. CONFIDENTIALITY AND DISCLOSURES OF INTEREST

The Directors are required to act in the best interest of the Company. The Directors also have a duty of confidentiality in relation to the Company's confidential information.

All information and documentation received by the Board from the Company shall be treated as confidential, unless otherwise expressly decided by the Board. All Board members are responsible for ensuring that any material received is properly protected and remains confidential. If any information is to be provided to third parties, this shall be decided by the Managing Director/ Chief Executive Officer.

A Director should disclose to the Board:-

- (a) any material personal interest they have in a matter which relates to the affairs of the Company; and
- (b) any other interest (direct or indirect) which the Director believes is appropriate to disclose in order to avoid any conflict of interest or the perception of a conflict of interest.

The disclosure should be made as soon as practicable after the Director becomes aware of their interest. Details of the disclosure must be recorded in the minutes of the meeting at which the disclosure is made or the meeting held following the disclosure.

13. DEALINGS IN SECURITIES

Directors must not deal in the securities of Hextar or other listed companies as long as they are in possession of price-sensitive information relating to such listed securities. All Directors must also comply with the disclosure requirements as prescribed under Chapter 14 of the Listing Requirements when dealing in the Company's securities.


14. WHISTLEBLOWING

The Board is committed to the highest standards of professionalism, honesty, accountability, integrity and ethical behaviour in the conduct of its business and operation for the Group. The Board is aspired to conduct the Group's affair in an ethical, responsible, and transparent manner. To achieve this purpose, the Board has established a Whistleblowing Policy.

The Whistleblowing Policy was established to enable employees within the Group, vendors and members of the public to report instances of unethical behaviour, improper conduct, actual or suspected fraud and/or abuse within the Group.

The implementation of the Policy is in line with the Whistleblower Protection Act 2010, Malaysian Anti-Corruption Commission Act 2009 and all other applicable laws and regulations in force in Malaysia.

The Whistleblowing Policy is made available for reference on the Company's website at <https://www.hextarglobal.com/ir.php>

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15. ANTI-BRIBERY AND CORRUPTION POLICY

The Group is committed to doing business in a fair, open, honest and transparent manner. Integrity is the core value and the guiding principle of the Group in every decision making process, and actions taken in the workplace. The Group practices high ethical standards in everything that being done.

The Group strongly opposes any acts of fraud, bribery and corruption that compromises business ethics and damages an organisation's reputation.

The Anti-Bribery and Corruption Policy ("the ABC Policy") describes the Group's stance on areas relevant to fraud, bribery and corruption and provides a guidance on how the Group's personnel are expected to conduct themselves in encountering potential acts of fraud, bribery and corruption. The ABC Policy also applies to any third party who performs services on behalf of the Group.

The objectives of this policy are as follows:-


- (a) To protect the Group against any possible penalties and/or repercussions resulting from any acts of bribery and/or corruption and/or being associated with such behaviour;
- (b) Fulfilling the legal and regulatory requirements and sets out the Group's overall position on bribery and corruption in all forms, including but not limiting to dealing with third parties, managing conflicts of interest, gifts, hospitality, entertainment, donations, sponsorships, recruitment, promotion and/or whistleblowing;
- (c) Ensure the Group has adequate procedures in place to prevent and detect any acts of bribery and/or corruption;
- (d) To provide guidance for the Group's personnel and business associates and assist them to identify and deal with bribery and corruption issues, as well as understanding their roles and responsibilities;
- (e) Set out the Group's responsibilities and the responsibilities of those working for and /or with the Group in observing and upholding the Group's position on bribery and/or corruption.

The Anti-Bribery and Corruption Policy is made available for reference in the Company's website at <https://www.hextarglobal.com/ir.php>

16. CODE OF CONDUCT

The Board has in place a Code of Conduct which is articulated to improve the ethical standards. All the employees are expected to always behave ethically and professionally and thereby protect and promote the reputation and performance of the Group.

The purpose of the Policy is to set forth to maintaining a working environment free from all forms of discrimination. The Policy addresses recruitment, admissions, hiring, training, discipline, promotion, demotion, transfer, layoff or termination, rates of pay or other forms of compensation and any other employment or education conditions.

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The Board is cognizant of both its moral and legal obligations to ensure that all employees are provided equitable opportunities to realise their goals and purpose within the Group.

The Group communicates its Code of Conduct to all employees upon their employment.

The Code of Conduct Policy is made available for reference on the Company's website at <https://www.hextarglobal.com/ir.php>

17. COMPANY SECRETARY

17.1 The Company Secretary shall be a person who is qualified pursuant to Section 235 of the Act.


The Board shall ensure it is supported by a suitably qualified and competent Company Secretary, being the central source of information and plays an important advisory role and fulfils the functions for which he/she has been appointed.

17.2 The Company Secretary must possess the knowledge and experience to carry out his/her functions including knowledge in company and securities law, finance, governance, company secretaryship and other areas of compliance such as the MMLR.

17.3 The Board is supported by a suitably qualified and competent Company Secretary who plays an important role to provide sound governance advice, ensure adherence to rules and procedures, and advocate the adoption of corporate governance best practices.

17.4 The roles and responsibilities of a company secretary shall include, among others:

- (a) assist the Board and its committees' function effectively and in accordance with their terms of reference, policies and best practices recommended by MCCG;
- (b) manage all Board and Board Committee meetings logistics, and attending and recording minutes of all Board and Board committee meetings and facilitate Board communications;
- (c) advise the Board on its roles and responsibilities;
- (d) advise the Board and committees on corporate disclosures and compliance with relevant laws, rules, procedures and regulations affecting the Group, securities regulations and MMLR;
- (e) manage procedures pertaining to all board, board committee and shareholders meetings;
- (f) advocate adoption of corporate governance best practices, monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and
- (g) service as a focal point for stakeholders' communication and engagement on corporate governance issues.

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18. INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION

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

The Board is fully committed that the highest standard of transparency and accountability in the disclosure of pertinent information relating to the Group, are adopted. To achieve this, the Company has implemented amongst others, the following:-


- (a) timely release of announcements to Bursa Securities, which include quarterly financial results, material contracts awarded and any other material information that may affect investors' investment decision;
- (b) conducts regular dialogues with financial analysts as a means of effective communication, which enables the Board and Management to convey information relating to the Group's performance, corporate strategy and other matters affecting shareholders' interests;
- (c) conducts press conference after the AGM/GM to provide the media an opportunity to receive updates from the Board on the proceedings at the meetings and to address any queries from the media;
- (d) allows shareholders to engage in interactive and meaningful discussion on the company's financial and non-financial performance as well as the company's long-term strategies during AGM. The Company shall also invite the external auditors to attend the AGM and be available to answer to shareholders' questions about the conduct of the audit and the preparation of the auditor's report;
- (e) publishes minutes of AGM together with issues or concerns raised by shareholders and responses by the Company no later than 30 business days after the completion of the meeting, on the Company's website as recommended by MCCG; and
- (f) allows shareholders to gain access to information about the Company including the summary of the Group's investor relation activities and media releases through the Company's website, <https://www.hextarglobal.com/ir.php>

19. RELATIONSHIP WITH OTHER STAKEHOLDERS

In the course of pursuing the vision and mission of the Group, the Board recognizes that no Company can exist by maximizing shareholders value alone. In the regard, the needs and interests of their stakeholders are also taken into consideration. In considering this, the Group shall have regard to its sustainability strategy and key pillars of strategy.

(a) Employees

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

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The Group adopts comprehensive and documented policies and procedures with respect to the following:

- i. Occupational safety and health with the objective of providing a safe and healthy working environment for all employees
- ii. Industrial relations with the objective of managing employees' welfare and well-being in the workplace
- iii. Fair practices in respect of its employees

The Group also adopts a Code of Ethics and Conduct which provides ethical framework to guide actions and behaviors of all Directors and employees while at work.

(b) Environment

The Board acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the Group's vision and mission and ensure that they stay abreast with and understand the sustainability issues relevant to the Group and its business, including climate-related risks and opportunities.

The Group adopts comprehensive and documented policies and procedures as part of its commitment to protect the environment and contribute towards sustainable development, including setting sustainability strategies, priorities and targets.

The Group supports initiatives on environmental issues.

(c) Social Responsibility


The Board acknowledges that the Group should play a vital role in contributing towards the welfare of the community in which it operates.

The Group adopts comprehensive and documented policies and procedures towards responsible marketing and advertising of its products and services.

The Group have engagement with the communities through a wide range of initiatives designed to enhance their daily lives and focuses on areas that create the greatest value to the communities. The Group supports volunteering, charitable causes and initiatives on community development projects.

20. SUSTIANABILITY

The Group is committed to achieving the United Nations 17 Sustainable Development Goals (SDG), by aligning its business strategies to meet the needs of its communities in line with the SDG agenda. The Group's commitment to strong Economic, Environment and Social practices is embedded throughout the organization. The ultimate objective is to achieve good financial performance in order to fuel long term sustainable growth and thereby, enhancing shareholders' value and contributing to the community it operates and nation building.

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The Board shall ensure that the Group complies with any reporting and other requirements imposed by Bursa and other relevant authorities with regard to sustainability matters.

21. REVIEW OF THE BOARD CHARTER

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

This Board Charter is updated and approved by the Board on 21 February 2022 and is made available on the Company's website, <https://www.hextarglobal.com/ir.php>