



BOARD CHARTER

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Board Charter

1. Preamble

The enhancement of corporate governance standards is vital towards achieving the objectives of transparency, accountability and effective performance for Malaysia Smelting Corporation Berhad (“MSCB” or the “Company”) and its subsidiaries (the “Group”). It is with the aim of enshrining concepts of good governance as promulgated in the Malaysian Code on Corporate Governance 2012 (the “Code”) that this Board Charter (the “Charter”) is established.

The Charter serves as a reference point for Board activities and should not be construed as a blueprint for Board operations. Just as each organisation has its own corporate culture, the dynamics of each Board are unique. The dynamics shift as the composition of the Board changes, and the Directors of the Company should always be open to new opportunities and ready to confront new challenges brought about by the changes.

This Charter is designed to provide guidance and clarity for Directors and Management with regard to the role of the Board and its committees, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as the Board’s operating practices. This Charter does not overrule or pre-empt the statutory requirements of Directors enshrined in the Companies Act 2016, the Income Tax Act 1967 or other relevant statutes, including the conduct of the Board as stipulated in the Articles of Association of the Company.

2. Interpretation

2.1. In this Charter:

“Board” means the Board of Directors of the Company;

“Business” means the business of the Company and all its subsidiaries and associated companies;

“Chairman” means the Chairman of the Board and is used in a gender-neutral sense;

“Company Secretary” means the Board secretary or the person(s) normally exercising the functions of a Board secretary;

“Management” means the management personnel of the Company;

“Shareholders” means the shareholders of the Company.

“CEO” means the Chief Executive Officer.

“Group” means the Company and all its subsidiaries.

“Independent Director” is defined in accordance with Paragraph 1.01 of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements

“Listing Requirements” means the Bursa Malaysia Listing Requirements.

3. Role of the Board

- 3.1 The Board is responsible for the stewardship of MSCB's business and affairs on behalf of shareholders with a view to enhance long term shareholder value whilst taking into account the interests of other stakeholders and maintaining high standards of transparency, accountability and integrity.
- 3.2 The principal responsibilities of the Board as adopted from the Code are:
- to review and adopt a strategic plan for the Company and its subsidiaries to ensure sustainability of its business as the Board brings objectivity and breadth of judgment;
 - to oversee the conduct of the Group's businesses and evaluate whether or not the businesses are being properly managed;
 - to identify principal business risks faced by the Group and ensure the implementation of appropriate internal controls to manage these risks;
 - to consider and implement succession planning, including appointing, training, fixing the compensation of and, where appropriate, replacing members of the Board and Senior Management;
 - to develop and implement an investor relations programme or shareholder communications policy for the Company;
 - to review the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
 - to ensure that Company and its subsidiaries adhere to high standards of ethics and corporate behaviour. Refer to Section 10 of this Charter for the Directors' Code of Ethics.
- 3.3 The Board reserves a formal schedule of matters for its decision to ensure that the direction and control of the Company are firmly in its hands. This includes strategic issues and planning, performance reviews, material acquisition and disposal of assets, capital expenditure, authority levels, treasury policies, risk management policies, appointment of auditors and review of the financial statements, financing and borrowing activities, ensuring regulatory compliance and reviewing the adequacy and integrity of internal controls.
- Appendix I** of the Charter sets out the details of matters reserved for Board's decision. The list may be changed from time to time, as appropriate, to take into account prevailing circumstances.
- 3.4 In overseeing the conduct of the Group's businesses, 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 operating plan and budget, financial statements, divisional strategic/performance reviews reports and risk management reports.

4. Board Structure

4.1 Board Balance and Mix

- 4.1.1 The Board recognises the importance of independence and objectivity in the decision making process. The Board of MSCB is chaired by non-independent non-executive director who provides strong leadership and objectively stewards the Board's priorities. The Board believes that the substantial majority of the Board who are independent would ensure a board balance of MSCB, if the Chairman is non-independent. As the Chairman of the Board is not an Independent Non-Executive Director, the Board comprises a majority of Independent Directors to ensure a balance of power and authority on the Board.
- 4.1.2 The Company's Articles of Association allow a minimum of two (2) and a maximum of ten (10) Directors. It is important for the Board to keep its size at a reasonable level. Boards that are too small or too large may significantly limit the level of individual participation, involvement and effectiveness. The Board shall from time to time examine its size with a view to determine the impact of its number upon its effectiveness.
- 4.1.3 To enhance its effectiveness, the Board shall ensure its members have the relevant skills, experience, expertise and time commitment. Accordingly, the Nominating Committee is entrusted by the Board to appraise candidates for directorship, including those who retire and offer themselves for re-election, before recommending to the Board.
- 4.1.4 The Board is also mindful of the need for board diversity and, in this context; the Nominating Committee takes into consideration gender diversity when recommending to the Board. The Board maintains a Board Diversity Policy (Appendix II of the Board Charter), to ensure the Board is of appropriate mix so as to optimise the performance of the Board as a whole and align the Board's capabilities with the strategic direction of the Company.
- 4.1.5 The Board also recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Company to ensure a balance of power and authority. For this purpose, the positions of Chairman of the Board and the Chief Executive Officer ("CEO") are to be held by different persons.
- 4.1.6 The Board identifies and appoints from amongst its members, a Senior Independent Non-Executive Director to whom the concerns of Directors and shareholders of the Company may be conveyed. The name of the Senior Independent Non-Executive Director is to be disclosed in the Annual Report of the Company.
- 4.1.7 Directors shall not sit on the boards of more than five (5) listed issuers in Malaysia. Before accepting any new directorship, Directors shall notify the Chairman of their intention to accept new directorships, the notification of which shall include an indication of time that will be spent on the new appointment.

4.2 Tenure of Directors

- 4.2.1 Pursuant to the Company's Articles of Association, all Directors must retire once at least every three (3) years but shall be eligible for re-election.
- 4.2.2 The tenure for an independent director ("ID") to serve on the Board is nine (9) years, consecutively or cumulative. The ID may continue to serve on the Board beyond the 9-year tenure in the capacity of a non-independent director. Where the Board is of the view that the ID can continue beyond the 9-year tenure, it must justify and seek shareholders' approval. The justification may be sought in the form of greater rigor and transparency in the evaluation process which accompanies any recommendation for renewal of a

Director's appointment/ retention at the Annual General Meeting/ Extraordinary General Meeting. The tenure of the Executive Director is tied to his executive office.

4.3 Role of the Chairman

4.3.1 The Chairman carries out a leadership role in the conduct of the Board and its relations to shareholders and other stakeholders. The Chairman is primarily responsible for:

- representing the Board to shareholders;
- presiding at Board and shareholder meetings and ensuring the proceedings thereof comply with good conduct and practices. The Chairman may appoint his designate to chair such meetings;
- ensuring the adequacy and integrity of the Board governance process;
- maintaining regular dialogue with the CEO over all operational matters and consulting with the remainder of the Board members promptly over any matters that gives him cause for major concern;
- functioning as a facilitator at meetings of the Board to ensure that no member, whether executive or non-executive, dominates discussion, that appropriate discussions takes place and that relevant opinions amongst members are forthcoming. The Chairman will ensure that discussions result in logical and understandable outcomes;
- ensuring that all Directors are enabled and encouraged to participate at Board meetings. This includes ensuring that all relevant issues are on the agenda and that all Directors receive timely and relevant information tailored to their needs and that they are properly briefed on issues arising at Board meetings;
- ensuring that the Executive Director / Chief Executive Officer look beyond his executive functions and accept his full share of responsibilities of governance;
- guiding and mediating Board actions with respect to organisational priorities and governance concerns;
- undertaking the primary responsibility for organising information necessary for the Board to deal with items on the agenda and for providing this information to Directors on a timely basis;
- performing other responsibilities assigned by the Board from time to time;
- ensuring effective communication with stakeholders and relevant stakeholders;
- The Chairman is responsible for running the business of the Board to ensure that:
 - (i) all Directors are properly briefed on issues arising at Board meetings
 - (ii) sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion
 - (iii) the issues discussed are forward looking and focused on strategy.

4.4 Role of the Chief Executive Officer

- 4.4.1 The position of the CEO in essence is to ensure the effective implementation of the Group's strategic plan and policies established by the Board as well as to manage the daily conduct of the business to ensure its smooth operations.
- 4.4.2 The CEO is accountable to the Board for the achievement of the Group's goals and objectives and the CEO is accountable to the Board for the observance of Management's limits.
- 4.4.3 At each of its scheduled meetings, the Board should expect to receive from or through the CEO:
- summary reports on the performance and activities of the Company and its subsidiaries and specific proposals for capital expenditure acquisitions and disposals; and
 - such assurances as the Board considers necessary to confirm that that Management's limits are being observed.
- 4.4.4 The CEO is expected to act within all specific authorities delegated to him by the Board.
- 4.4.5 Generally, the CEO is responsible to the Chairman/Board for the following:
- executive management of the Group's business covering, inter-alia, the development of a strategic plan, an annual operating plan and budget, performance benchmarks to gauge management's performance and the analysis of management reports;
 - developing long term strategic and short term profit plans, designed to ensure that the Group's requirements for growth, profitability and return on capital are achieved;
 - directing and controlling all aspects of the business operations in a cost effective manner, covering production operation requirements, best technological practice, high levels of productivity and flexibility to cope with planned development and awareness of market place opportunities and threats, deploying resources to exploit and counter them respectively;
 - effectively overseeing the human resource of the organisation with respect to key positions in the Group hierarchy and ensures the general well-being of employees, determination of remuneration as well as terms and conditions of employment for senior management in consultation with the Remuneration Committee and the Board and issues pertaining to discipline of all employees;
 - effectively representing the interest of the Company with major customers, governments and their agencies, and industries at large, to ensure general goodwill towards the Company and cooperation in planned development;
 - assuring the Group that its corporate identity, products and services are of high standards and are reflective of the market environment;
 - providing assistance to members of the Board and Board committees, as required, in discharging their duties;
 - assisting the Chairman in organising information necessary for the Board to deal with the agenda and for providing this information to Directors on a timely basis;
 - identifying the risks and ensuring the implementation of appropriate internal controls and mitigation measures;

- establishing and reviewing the risk management framework and internal controls system across the Group;
- providing assurance to the Board of Directors on the adequacy and effectiveness of the risk management and internal control systems, in all material aspects, annually, together with CFO;
- assessing business opportunities which are of potential benefit to the Company; and
- ensuring the provision of accurate, timely and clear information to Directors

4.4.6 The CEO shall act within all specific authorities delegated by the Board.

4.5 Role of Non-Executive Directors (“NEDs”)

4.5.1 The roles of NEDs largely encompass the monitoring of Company performance and contributing to the development of Company strategy, clarified as follows:

- Strategy: Constructively challenge and contribute to the development of Company strategy; and
- Performance: Oversee the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

4.5.2 Non-Executive Directors act as a bridge between Management, shareholders and other stakeholders. They provide the relevant checks and balances, focusing on shareholders’ and other stakeholders’ interests and ensuring that high standards of corporate governance are applied.

4.6 Company Secretary

4.6.1 The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognises the fact that the Company Secretary should be suitably qualified and capable of carrying out the duties required of the post.

4.6.2 The key role of the Company Secretary is to provide unhindered advice and services for the Directors as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.

4.6.3 The primary responsibilities of the Company Secretary shall include:

- ensuring that Board procedures and applicable rules are observed;
- maintaining records of the Board and ensure effective management of the organisation’s records;
- preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded;
- timely dissemination of information relevant to Directors’ roles and functions and keeping them updated on new or evolving regulatory requirements; and
- carrying out other functions as deemed appropriate by the Board from time to time.

4.7 Board Committees

4.7.1 The Board reserves the right to establish Committees from time to time in the discharge of its duties and responsibilities. Where a Committee is formed, specific terms of reference of the Committee shall be established to cover matters such as the purpose, composition and functions of the Committee.

4.7.2 A number of standing Committees with written terms of reference has been established namely the following:

a. Audit & Risk Management Committee

The Audit & Risk Management Committee assists and supports the Board in overseeing the Group's operations by providing a means for review of the Group's processes for producing financial data, its internal controls, risk management activities and independence of the Group's external and internal auditors. The terms of reference of the Audit & Risk Management Committee is attached under **Appendix IV**.

b. Nominating Committee

The Nominating Committee primary responsibilities is to oversee the assessment and selection of Directors and facilitate Directors' induction, training and succession programmes. The terms of reference of the Nominating Committee is attached under **Appendix V**.

c. Remuneration Committee

The Remuneration Committee is primarily responsible for recommending to the Board the remuneration of Executive Directors, Non-Executive Directors and Senior Management in all its forms, drawing from outside advice if necessary and to review the Group's remuneration policies and procedures. The terms of reference of the Remuneration Committee is attached under **Appendix VI**.

4.8 The Board's Relationship with Shareholders and Stakeholders

4.8.1 The Board shall maintain a communications policy that enables the Board and its Management to communicate effectively with shareholders and members of the general public.

4.8.2 It is the role of the Board to ensure that the Annual General Meeting ("AGM") and Extraordinary General Meeting ("EGM") of the Company are conducted in an efficient manner and serves as a crucial mechanism in shareholder communications. This includes the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the AGM and EGM. The Board will focus its efforts on the following best practices to enhance the value of the General Meeting:

- ensure that each item of special business included in the notice is accompanied by a full explanation of the effects of the proposed resolution;
- for re-election and re-appointment of Directors, ensure that the notice of meeting states which Directors are standing for election or re-election with a brief description including matters such as age, relevant experience, list of directorships, date of appointments to the Board, details of participation in Board Committees and whether a particular Director is independent;

- ensure that the Chairman provides reasonable time for discussion at the meeting. Where appropriate, the Chairman will also undertake to provide the enquirer with a written answer to any significant question which cannot be answered immediately;
- The Company will ensure that all resolutions set out in the notice of any general meeting or notice of resolution are voted by poll and at least one (1) independent scrutineer is appointed as to facilitate poll voting. The results of the poll including the number and percentage of votes cast for and against each resolution would be announced accordingly.
- A summary of the key matters discussed at AGM will be published onto the Company's website as soon as practicable after the conclusion of the AGM.
- ensure that there is a channel of communication through the Investor Relations Manager and/or the Company Secretary for feedback and queries from shareholders;
- ensure that the Chairman of the Board shall be the Chairman of all general meetings; and

4.8.3 The Directors will consider requisition by shareholders to convene an EGM or any other urgent matters requiring immediate attention of the Company.

5. Board Processes

5.1 Board meetings

- 5.1.1 Meetings will be conducted at least on a quarterly basis. The Company Secretary shall in advance prepare and distribute an annual meeting timetable for all required to attend the meetings.
- 5.1.2 If additional meetings are to be convened, a Director may request for such a meeting to table matters of urgency, and the Company Secretary shall upon the request of the Chairman of the Board or any one (1) Director, convene a meeting. The Company Secretary shall prepare and distribute a timetable for all required to attend the meetings.
- 5.1.3 Except in the case of emergencies, seven (7) days notice of every Board meeting will be provided in writing. In addition to notices sent through the post/ by hand, notices may also be sent via facsimile, electronic mail or by any means of telecommunication in permanent written form.
- 5.1.4 The Chairman of the Board - or in his/her absence, the Deputy Chairman - shall preside at all meetings. If the Chairman or the Deputy Chairman (if any) is not present, or if he is not present within ten (10) minutes after the time set for the commencement of the meeting, the Directors shall elect one (1) of their member to be Chairman of the meeting.
- 5.1.5 Board members are required to attend the Board meetings. However, other senior officers may be invited to attend for particular items within their responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises.
- 5.1.6 Questions arising at any meeting of the Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In the event issues requiring the Board's decision arise between meetings, such issues shall be resolved through circular resolution subsequent to discussions being held amongst the Board members, either via teleconference, videoconference, email, etc. in order for the Board as a whole to be apprised on such matters and obtain their view points before arriving at a decision.

- 5.1.7 Such circular resolution in writing shall be valid and effective if it is signed or approved by letter, facsimile or electronic mail by all the Directors, and such discussions, including any concerns raised and the rationale for the decisions so made in the resolution shall be tabled at the immediate Board meeting for formal record keeping.
- 5.1.8 The Directors may participate in a meeting of the Directors by means of telephone and video conference or by other means of communication. Directors need not be in the physical presence of another Director(s), and participation in the meeting in the aforementioned manner shall be deemed to constitute presence in person at such meeting. The Directors participating in any such meeting shall be counted in the quorum for such meeting. All resolutions agreed upon by the Directors in 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 meeting.
- 5.1.9 Director shall abstain from deliberation and voting on contracts or proposed contracts or arrangements in which he has direct/ indirect interests either in the capacity as an officer or a shareholder of the Company.

5.2 Agenda

- 5.2.1 The Chairman, in conjunction with the Chief Executive Officer and the Company Secretary, shall undertake the primary responsibility for preparing the Board's agenda. The agenda should include matters specifically reserved for the Board's decision. The Company Secretary shall record the Board's deliberation, in terms of the issues discussed, and the conclusions thereof, in discharging its duties and responsibilities.
- 5.2.2 The agenda shall address high-priority strategic and operational issues, where necessary, and ensure that there is enough time for discussion.

5.3 Meeting papers

- 5.3.1 To allow ample time for the Directors to consider the relevant information, Board papers and agenda items are to be circulated at least seven (7) days or a shorter period where unavoidable, prior to the meeting. Where there is a need to table a report, a brief statement of findings and/or recommendations is prepared.
- 5.3.2 Minutes are prepared within fourteen (14) days following a Board meeting and are circulated in draft form. The draft minutes will be re-circulated with the Board papers in readiness for signing at the following meeting. The practice is for minutes to record processes and decisions rather than a historical narrative of the discussion. If one or more Directors request their opinion to be noted, the Company Secretary shall comply with the request.

5.4 Access to Information

- 5.4.1 A record of submissions, papers and materials presented to the Board, is maintained and held by the Company Secretary together with minutes of meetings, and is accessible to the Directors.
- 5.4.2 All Directors (Executive and Non-Executive) have the same right of access to information relevant to the furtherance of their duties and responsibilities as Directors of the Company, subject to a formal written request to the Chairman furnishing satisfactory and explicit justification for such a request.

5.5 Independent Professional Advice

- 5.5.1 The Board as well as any Director is entitled to obtain independent professional advice relating to the affairs of the Group or to his responsibilities as a Director.
- 5.5.2 If a Director considers such advice necessary for the discharge of his duties and responsibilities as Director and, for the benefit of the Company, such Director shall first discuss it with the Chairman and, having done so, shall be free to proceed, where appropriate.
- 5.5.3 Subject to the prior approval of the Chairman, the cost of the advice will be reimbursed by MSCB but the Director will ensure, so far as is practicable, that the cost is reasonable

5.6 Appointment, Vacation of Office and Removal of Directors and Senior Management

- 5.6.1 Reference shall be made to Section 15.05 of the Listing Requirements, Companies Act 2016, the Company's Articles of Association and applicable Singapore Exchange Secondary Listing rules with regards to the qualification, vacation of office and removal of Directors and Senior Management.
- 5.6.2 Upon the appointment of a Director, the said Director shall provide to Bursa Malaysia an undertaking prescribed by Bursa Malaysia immediately and in any event not later than fourteen (14) days.
- 5.6.3 Where a Director is removed from office, MSCB must forward to Bursa Malaysia a copy of any written representations made by the Director at the same time as copies of such representations are sent to shareholders/ management of MSCB under Section 207(3)(b) of the Companies Act, 2016.

5.7 Induction Process

- 5.7.1 The objective of the induction process is to provide Directors with a rapid and clear insight into the Company. This will enable the Directors to discharge their duties and responsibilities effectively.
- 5.7.2 Induction of Directors may include (but not limited to) the following:
- time with other Directors to enable further insights and knowledge of the Company, in particular the Chairman, the Company Secretary and, if the Independent Director is a functional specialist, his counterpart;
 - 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;
 - visits to key sites;
 - a formal one (1) to two (2) day induction programme, including the elements above, and also presentations by key management personnel.

Directors' training

- 5.7.3 Directors are required to undergo the mandatory accreditation programme under the auspices of Bursa Malaysia. In addition, Directors are required to attend relevant training courses/seminars at periodic intervals to keep themselves updated on developments pertaining to the oversight function of Directors as well as technical matters, for example, financial reporting standards, tax budgets, etc.

- 5.7.4 All trainings attended by Directors shall be disclosed in the Annual Report. In special circumstances, valid justifications for non-attendance at any training by Directors for the financial year shall also be disclosed.
- 5.7.5 At the start of each year, the Board shall collectively discuss and assess the training needs of each Director upon recommendation by the Nominating Committee to decide on the type of training that may be required for effective and efficient discharge of Directors' duties and responsibilities. The Nominating Committee, with the assistance of the Company Secretary, shall propose a basic training plan for all Directors with the intention of addressing each of their specific roles in the Company. Directors may request for additional training, if needed.
- 5.7.6 The costs of the induction, mandatory accreditation programme and/ or continuing education program shall be borne by the Company.

5.8 Directors' External Commitments and Conflict of Interest

- 5.8.1 The Company shall ensure that the Directors, have the character, experience, integrity, competence and time to effectively discharge their respective roles.
- 5.8.2 Directors shall devote sufficient time to carry out their responsibilities. The Board should obtain this commitment from its members at the time of appointment. Each Director is expected to commit to attend at least 50% of the Board meetings.
- 5.8.3 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.
- 5.8.4 A Director of the Company or Group shall not hold more than five (5) directorships in listed issuers as required under regulatory requirements.
- 5.8.5 In line with the Company's Articles of Association, 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 Companies Act, 1965. The Director concerned shall not participate in deliberations and shall abstain himself from casting his votes in any matter arising thereof, except for those circumstances provided under Article 117 (1)(i) (ii) and (iii) (I) (II)
- 5.8.6 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, the Director involved shall make full disclosure and act honestly in the best interest of the Company.
- 5.8.7 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.
- 5.8.8 The Company Secretary should facilitate the Directors' annual independence and conflict of interests declarations, which will allow the Directors to perform an annual self-declaration on independence (i.e. for Independent Non-Executive Directors) and conflict of interest (i.e. for all Directors).

6. Directors' Remuneration

- 6.1 NEDs will be paid a basic fee for acting as Directors of the Company, subject to approval by shareholders. They will also be paid a sum based on their responsibilities in Board Committees and for their attendances at meetings.
- 6.2 The remuneration of ED and/or Chief Executive Officer shall be recommended by the Remuneration Committee while remuneration of all directors shall be approved by the Board with the individual Director concerned abstaining from discussing his individual remuneration. The amount of remuneration payable shall be determined with reference to the Directors' Remuneration Policy set out in **Appendix VII**.

7. Board and member Assessment

- 7.1 The Nominating Committee is entrusted by the Board to review the performance and effectiveness of the Board and Board Committees, including individual Directors, annually, with the assessment report, together with a report on the Board balance covering the required mix of skills, experience and other qualities of Board members for discussion at the full Board.

8. Representation of the Company

- 8.1 The Board looks to Management to speak on behalf of MSCB 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.
- 8.2 The Board has enforced a Corporate Disclosure Policy to ensure the comprehensiveness; accuracy and timeliness of information disclose and to ensure compliance with the relevant disclosure requirements as enumerated in Bursa Malaysia's Listing Requirements. Refer to **Appendix VIII** for the Corporate Disclosure Policy.
- 8.3 The Company shall consider the use of information technology in communicating with stakeholders, including a dedicated section for Investor Relations on the Company's website. This section shall provide information such as, amongst others, the Quarterly Financial Announcements and the Annual Reports.

9. The Company's Constitution and Management's Limits

- 9.1 The Board operates pursuant to the powers and subject to rules in the Memorandum and Articles of Association of the Company as adopted by the shareholders in general meeting.
- 9.2 Management is expected to act within all specific authorities delegated to it by the Board.
- 9.3 Management is expected not to cause or permit any practice, activity or decision that is contrary to commonly accepted good business practices or professional ethics.

10. Directors' Code of Ethics

The Directors shall observe the Directors' Code of Ethics as follows:

- a. Compliance at all times with this Code of Ethics, the Board Charter and regulatory requirements expected to be adhered to by Directors of the Company;
- b. Observe high standards of corporate governance, in particular the practices set out in the Malaysian Code on Corporate Governance 2012, the Main Market Listing Requirements of Bursa Malaysia, the Companies Act, 2016 and the Capital Markets and Services Act, 2007 (Amended 2010);
- c. Adhere to the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- d. Act in good faith and in the best interest of the Company;
- e. Not misuse information gained in the course of duties for personal gain or for any other purpose, nor seek the opportunity of the service as Directors to promote private interests or those of connected persons, firms, businesses or other organisations;
- f. Ensure the Company's resources are safeguarded and that the Company conducts its operations economically, efficiently and effectively at all times;
- g. Directors shall not accept positions in Board Committees or working groups where a conflict of interest is likely to arise, without first declaring their interest at Board meeting;
- h. Directors shall declare any personal, professional or business interests that may conflict with their responsibilities as Directors of the Company;
- i. Directors shall adhere to the regulatory requirements pertaining to trading in the Company's shares, including insider trading.

11. Review of Board Charter

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

12. Approval

This Board Charter is revised, reviewed and approved by the Board of Directors on 18 February 2022.

FORMAL SCHEDULE OF MATTERS RESERVED FOR THE BOARD'S DECISION

Careful preparation of the meeting agenda enhances Board's productivity and strengthens its supervisory role.

At every regular Board meeting, Directors should:

- Review outstanding major action items from previous meetings;
- Discuss emerging issues that could affect the business of the Group. Some of these issues are:
 - risk management issues;
 - adverse economic and industrial trend;
 - competitors' actions;
 - adverse publicity/rumours concerning the Company and/or its subsidiaries;
 - changes to statutory requirements in the industry/business that the Group operates in;
 - fluctuation in major raw materials prices and supply of materials;
 - fluctuation in interest rates (affecting finance cost); and
 - labour issues.
- Receive reports from the CEO on operational and performance-related matters and strategic issues;
- Review the strategic direction and supporting strategies of the Group, including the approval for corporate exercises or restructuring and the related agreements thereof;
- Review operations of the previous month, year-to-date, and forecast covering the remainder of the relevant accounting period;
- Deliberate financing arrangements, cheque and other signatories, including the changes thereof;
- Review and approve financial statements of the Company and Group for lodgement with the various authorities;
- Approval of announcements, including the corporate governance disclosure statements to Bursa Malaysia Securities Berhad under the Listing Requirements; and
- Any other pertinent matters that may be decided upon by the Board from time to time.

A range of other matters for Board's decision that should be periodically included on the Board agenda is as follows:

A. Corporate planning

- Approval of proposed corporate exercise;
- Approval of acquisitions and disposals, investments and divestments;
- For any proposed acquisitions, mergers, divestments and takeovers, ascertain that assets are appropriately valued, and that the Company's shares are fairly valued by the market, to reduce susceptibility to takeover; and
- Conduct regular analyses of trading activity in the Company's shares, and identify areas of concern.

B. Strategy formulation and planning

- Evaluate and approve corporate strategy, including:
 - diversification;
 - coordination of business segments;
 - investment priorities and the allocation of resources across activities;
 - managing the scope and mix of various activities to improve performance.
- Develop/approve long-term business strategy or scenarios based on the Group's strategic direction.

C. Formulating and monitoring company policies

- Formulate and monitor systems, policies and procedures, including:
 - risk management policy and procedures;
 - system of internal control; and
 - delegation of authority to Board Committees like the Audit & Risk Management Committee and Remuneration Committee; and
- Ensure these policies are properly documented and communicated to all relevant personnel.

D. Reporting controls

Via the Audit & Risk Management Committee:

- Internally, review management information systems to ensure that both Board and Management are receiving relevant and reliable information;
- Externally, review existing accounting policies against the appropriate standards, and review the questionnaire completed by Management to ensure that the published financial statements are true and fairly stated; and
- Approve regulatory reporting, i.e. quarterly and other announcements to authorities.

E. Internal controls: regulatory compliance

Via the Audit & Risk Management Committee:

- Review regulations affecting the Group's operations;
- Develop and review systems for monitoring regulatory compliance; and
- Review compliance reports prepared by internal audit.

F. Internal controls: internal audit

Via the Audit & Risk Management Committee:

- Review the scope and depth of coverage of the internal audit function;
- Review and discuss reports from the internal auditors on internal control recommendations, and confirm that appropriate action has been taken; and
- Ensure that there is effective communication and liaison between the internal and external audit functions.

G. Internal controls: external audit

Via the Audit & Risk Management Committee:

- Review the draft letter of representation requested by the external auditors, and confirm that the representations have been considered;
- Ensure that issues raised by the external auditors have been satisfactorily resolved; and
- Review the external auditors' internal control recommendations, and ensure appropriate action has been taken.

H. Funding

- Invest surpluses appropriately and promptly;
- Review the Group's funding requirements, including significant treasury matters on a continuing basis; and
- Determine that any exchange risk, credit risk and interest rate risk associated with any funding or placements are acceptable.

I. Appointment and termination

- Consider approving the appointment, resignation/termination of Director, Company Secretary and auditors;
- Consider recommendation and approval of Directors to fill the seats on Board Committees;
- Review and assess annually:
 - the required mix of skills and experience of the Board, including the core competencies, which Non-Executive Directors should bring to the Board; and
 - the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director.
- Review and approve the recommendations from the Remuneration Committee, remuneration packages of the Executive Director and recommend fees and emoluments of Non-Executive Directors for shareholders' approval at Annual General Meeting.

BOARD DIVERSITY POLICY

Purpose

The Board Diversity Policy (the “Policy”) has been adopted by the Board of Directors of the MSCB Group on 24 February 2017 and it sets out the approach to diversity on the Board of Directors (the “Board”) of Malaysia Smelting Corporation Berhad (“MSCB” or the “Company”).

Scope of application

The Policy applies solely to the Board and does not extend to cover diversity in the Company’s recruitment practices of non-Board personnel.

Policy statement

The Board strongly endorses board diversity as it is of the view that a diversified Board has the prospects of achieving greater effectiveness, creativity and capacity to thrive in a challenging and uncertain business environment. Hence the Board strives to ensure that there is no discrimination on the basis of, but not limited to, race, age, ethnicity, gender, nationality, political affiliation, religious affiliation, sexual orientation, marital status, education physical ability or geographic region when deciding on the composition of the Board. The Board takes into consideration and aims to make good use of the differences in the skills, regional and industry experience, background, race, gender and other qualities of its Directors.

The Company’s goals and core principles are taken into consideration in the development of this Policy. The Company’s strategic intent for boardroom diversity is the attraction, retention and development of a diverse team of skilled people towards the delivering of the Company’s strategy. The Policy is centered on the following initiatives:

- (1) Identifying and creating the right balance of skills and industry experience, background and gender of Directors.

High levels of professional skills and appropriate personal qualities are prerequisites for directorship. Without limiting the generality of the foregoing, the qualifications for Board membership are the ability to make informed business decisions and recommendations, an entrepreneurial talent for contributing to the creation of shareholder value, relevant experience, the ability to appreciate the wider picture, ability to ask probing operational related questions, high ethical standards, sound practical sense, and total commitment to furthering the interests of shareholders and the achievement of the Company’s goals.

- (2) Retaining Directors based on performance and merit, in the context of skills, time commitment and experience, in order for the Board to be effective; and
- (3) Providing a safe and healthy environment for the views of Board members to be heard, their concerns attended to and where, bias, discrimination and harassment on any matter are not tolerated; and
- (4) The Board’s Nominating Committee to review and assess the Board composition and mix and make recommendations on the appointment of new Directors. The Committee is tasked with the following responsibilities:
 - (a) to appoint members based on merit and free of prejudice, whilst simultaneously considering a broader sense of diversity and its advantages, when reviewing Board composition;
 - (b) to consider the mix of skills, experience, independence, knowledge and the diversity of the Board, as part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors; and
 - (c) to develop measurable objectives to implement the Policy and for monitoring progress towards the achievement of these objectives.

Measurable Objectives

The Board is mindful that for any set objectives to be effective, they should be measurable. On an annual basis, the Nominating Committee will discuss the measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption, where applicable.

Monitoring and Reporting

Disclosure will be made in the corporate governance section of the MSCB's Annual Report. The Annual Report will include a summary of this Policy, the measurable objectives set for implementing the Policy and progress made towards achieving those objectives.

Review of the Policy

The Nominating Committee will review and assess the effectiveness of the Policy as and when required. The Committee shall deliberate on appropriate amendments to be made to the Policy to make it more cohesive and any recommendation for revisions shall be highlighted to the Board for approval.

DIRECTORS' INDEPENDENCE POLICY

1 Background and Purpose

The Board of Directors of the MSCB Group values independence and objectivity in its decision making process. At least 2 directors or one third (1/3) of the Board, whichever is the higher, shall be independent directors which aligns itself with the requirement in Paragraph 15.02 of the Listing Requirements.

This policy has been adopted by the Board of Directors of the MSCB Group on 24 February 2017 and it serves to specify:

- the method and criteria in which the independence of the Directors shall be determined;
- the assessment of the independence of the Directors; and
- the disclosures made to the shareholders of the assessment of independence of Directors, including the disclosure of any relationships and associations that may be perceived to affect the independence or objectivity of a Director.

2 Method and Criteria

The board's test for independence involves determining if the Director is independent of management and free of any business or other relationships that could materially interfere with the exercise of objective, unfettered or independent judgement.

While it is not possible to explicitly provide for all circumstances that may be relevant to a Director's independence, a Director shall normally be considered independent if he or she meets the following criteria:

The Director:

- (a) is not an Executive Director of the Company or any related corporation of the Company;
- (b) has not been within the last 2 years and is not an officer (except as a Non-Executive Director) of the Company or any other related corporation of the Company. For this purpose, "officer" has the meaning given in Section 2 of the Companies Act, 2016;
- (c) is not a major shareholder of the Company or any related corporation of the Company;
- (d) is not a family member of any Executive Director, officer or major shareholder of the Company or any related corporation of the Company. For this purpose, "family member" means the spouse, parent, brother (and his spouse), sister (and her spouse), child, adopted child or step child (including their respective spouses);
- (e) is not acting as a nominee or representative of any Executive Director or major shareholder of the Company or any related corporation of the Company;
- (f) has not been engaged as an advisor by the Company or any related corporation of the Company under such circumstances as prescribed by Bursa Malaysia Securities Berhad 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 Company or any related corporation of the Company under such circumstances as prescribed by Bursa Malaysia Securities Berhad; or

- (g) has not engaged in any transaction with the Company or any related corporation of the Company under such circumstances as prescribed by Bursa Malaysia Securities Berhad 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 Company or any related corporation of the Company under such circumstances as prescribed by Bursa Malaysia Securities Berhad.

In respect of paragraph (e) above, nominee means a person who has been designated to act for another in his or her place. It denotes a person who is accustomed, or is under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of another person.

A nominee or representative of major shareholders who fulfils all requirements of the definition of "Independent Director" except for the said paragraph (e), may nevertheless be considered as an "Independent Director" if:

- the major shareholder's aggregate shareholding in the Company or any related corporation of the Company, directly or indirectly, is not more than 15% of the issued and paid-up capital (excluding treasury shares) of the Company or any related corporation of the Company;
- the major shareholder is not deemed to be a promoter of the Company or any related corporation of the Company; and
- the major shareholder is either:
 - (i) a statutory institution who is managing funds belonging to the general public; or
 - (ii) an entity established as a collective investment scheme, such as closed-end funds, unit trusts or investment funds (but excluding investment holding companies).

In relation to paragraph (f) above, it is prescribed that a person who is proposed to be or is an Independent Director is disqualified from being an Independent Director if he:

- had personally provided professional advisory services to the Company or any related corporation of the Company within the last 2 years; or
- is presently a partner, Director (except as an Independent Director) or major shareholder, as the case may be, of a firm or corporation (hereinafter referred to as "Entity") which has provided professional advisory services to the Company or any related corporation of the Company within the last 2 years; and
- the consideration of which in aggregate exceeds 5% of the gross revenue on a consolidated basis (where applicable) of the Independent Director or the Entity or RM1 million, whichever is the higher.

In relation to paragraph (g), it is prescribed that the Independent Director is disqualified from being an Independent Director if he:

- had engaged personally in transactions with the Company or any related corporation of the Company (other than for board service as a non-executive Director) within the last 2 years; or
- is presently a partner, Director, a major shareholder, of an Entity (other than subsidiaries of the Company) which has engaged in transactions with the Company within the last 2 years; and

- the consideration of which in aggregate exceeds 5% of the gross revenue on a consolidated basis (where applicable) of the Independent Director or the Entity or RM1 million, whichever is the higher.

In relation to paragraphs (f) and (g) the Entity is a corporation, the computation of the gross revenue of the Entity shall be based on its annual audited financial statements for the last 2 financial years. Where the service is rendered by the Independent Director personally or by an Entity other than a corporation, the computation of the gross revenue must be based on the income tax returns of the Independent Director or the Entity, as the case may be, submitted to the Inland Revenue Board for the last 2 years.

However, “transactions” as stated above shall exclude transactions:

- on normal commercial terms entered into between the Company or any related corporation of the Company, and the Independent Director or between the Company or any related corporation of the Company and an Entity where the Independent Director is also a Director, major shareholder or partner:
 - (i) for personal use of the Independent Director; or
 - (ii) for personal investment of the Independent Director but not for the purpose of carrying on a trade or business;
- on normal commercial terms entered into between the Company or any related corporation of the Company, and an Entity where the Independent Director is also a Director (and not a major shareholder) but is not involved in the said transactions;
- for the following goods and services, provided that they are sold or rendered based on a non-negotiable fixed price or rate, which is published or publicly quoted and the material terms including the prices or charges are applied consistently to all customers or classes of customers:
 - (i) provision or usage of public utility services such as water, electricity and telecommunications and data, postal or courier services, services by licensed institutions as defined under the Banking and Financial Institutions Act 1989 (other than professional advisory services which are subject to paragraph 4.1 above), insurance, unit trusts, stock broking services, public transport, education, medical services, provision or usage of tolled highways, hotel facilities and recreational services, provision or consumption of fuel on retail or food and beverage at eateries, provision or purchase of goods at retail outlets such as supermarkets, hypermarkets or departmental stores; and
 - (ii) such other types of goods or services that may be prescribed by Bursa Malaysia Securities Berhad from time to time.

It should be noted that a Director may be considered by the Board to be independent where the Director does not meet one or more of the criteria listed above or where any other relationship or circumstances exist which appear relevant to the Board’s assessment of independence. The Board reserves its right to make such an assessment.

3 Assessment of independence

All facts and circumstances will be considered in determining the independence of a Director under the test mentioned above.

The Board, assisted by the Company Secretary, shall conduct assessments upon appointment and annually thereafter to assess and further determine the state of the directors' independence. The directors shall also uphold the responsibility of updating the Board with any new information in relation to interests or relationships that could possibly impair their independence. The Board will re-assess determinations of independence upon any such disclosure by a Director. In performing the assessments or verifying the results of an internally performed assessment, the Board may engage the services of an external consultant.

Upon reaching the nine (9) year tenure limit as stated in the Board Charter, an Independent Director may continue to serve on the Board upon re-designation into a Non-independent Director. However, where the Board is of the view that the Independent Director can continue as an Independent Director beyond the 9-year tenure, it must justify and seek shareholders' approval. In providing for such justification, the Directors' objectivity, commitment, contribution, experience and expertise as well as other relevant reasons shall be taken into consideration. Additional independence assessments may need to be carried out by the Board and is to be determined when the need arises.

4 Disclosure

The Board will make the following disclosure to shareholders MSCB's annual report.

- Independent and Non-independent Directors (and any change in status that occurred during the year) will be identified and their period office will be stated; and
- Thresholds adopted by the Board to assist in the assessment and determination of independence.

Independent and non-independent Directors standing for re-election will also be identified. If the Board's assessment of a Director's independence changes, that change will be disclosed immediately through an announcement to Bursa Malaysia Securities Berhad.

5 Administration

The Company Secretary is responsible for the administration, revision, interpretation, and application of this policy. The Policy will be reviewed annually and revised as needed. Any amendments to this Policy must be approved by the Board of MSCB.

6 Reference point

Any questions regarding this Policy shall be directed to the Company Secretary and/ or Legal Department of MSCB.

TERMS OF REFERENCE FOR AUDIT & RISK MANAGEMENT COMMITTEE

1 Objectives

The primary function of the Audit & Risk Management Committee (the “Committee”) is to assist the Board of Directors (the “Board”) in fulfilling the following oversight objectives on the activities of the Group:

- Assess the Group’s processes relating to its governance, risk and control environment;
- Oversee financial reporting; and
- Evaluate the internal and external audit processes, including issues relating to the system of internal control, risk management and governance within the Group.
- Oversee the conflict of interest situations and related party transactions

In addition, the Audit & Risk Management Committee shall

- a) Oversee and appraise the quality of the audits conducted both by the Company’s internal and external auditors’
- b) Maintain open lines of communication between the Board of Directors, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and
- c) Determine the adequacy of the Group’s administrative, operating and accounting controls.
- d) To require a former audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

The authority, functions and duties of the Committee shall be extended to Malaysia Smelting Corporation Berhad (the “Company”) and its subsidiary companies (the “Group”).

2 Composition

The Audit & Risk Management Committee shall be appointed by the Directors from among their number (pursuant to a resolution of the Board of Directors) which fulfils the following requirements:-

- a) the Audit & Risk Management Committee must be composed of not fewer than 3 members;
- b) all members of the Audit & Risk Management Committee must be non-executive directors;
- c) a majority of the Audit & Risk Management Committee must be independent directors;
- d) all members of the Audit & Risk Management Committee should be financially literate and at least one member of the Audit & Risk Management Committee:-
 - must be a member of the Malaysian Institute of Accountants (“MIA”); or
 - if not a member of the MIA, the person must have at least three (3) years of working experience and:
 - the person must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
 - the person must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
 - must have at least three (3) years’ post qualification experience in accounting or finance:
 - has a degree/ master/ doctorate in accounting or finance; or
 - is a member of one (1) of the professional accountancy organisations which has been admitted as a full member of the International Federation of Accountants; or

- must have at least seven (7) years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation; or
- fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad ("Bursa Malaysia").

In the event of any vacancy in the Audit & Risk Management Committee (including Chairman) resulting in the non-compliance of item 2 (a) to (d) above, the Board shall upon the recommendation of the Nomination Committee fill the vacancy within 3 months from that event.

The Chairman of the Committee shall be an Independent Non-Executive Director. No alternate Director of the Board shall be appointed as a member of the Committee.

The Board of Directors must via Nomination Committee review the term of office and performance of the Audit & Risk Management Committee and each of its members annually to determine whether the Audit & Risk Management Committee and members have carried out their duties in accordance with its Terms of Reference.

3 Quorum and Committee's Procedures

Meetings shall be conducted at least four (4) times annually, with each meeting planned to coincide with key dates in the Group's financial reporting cycle, or more frequently as circumstances dictate.

The Chairman of the Committee shall engage continuously with Senior Management, such as the Group Chief Executive Officer, Chief Financial Officer, the Head of Internal Audit and the External Auditors in order to be kept informed of matters affecting the Group in a timely manner.

The quorum for a meeting shall be 2 members of the Audit & Risk Management Committee who are both independent directors. In order to form a quorum for a meeting, the majority of members present must be Independent Non-Executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

The Company Secretary shall be appointed Secretary of the Committee (the "Secretary"). The Secretary, in conjunction with the Chairman, shall draw up agenda, which shall be circulated together with the relevant support papers, at least one (1) week prior to each meeting to members of the Committee. The Secretary shall be entrusted to record all proceedings and minutes of all meetings of the Committee and the circulation of the minutes to all Board members at each Board meeting.

The Group Chief Executive Officer, Group Chief Financial Officer, Group Chief Operating Officer, the Head of Internal Audit and representatives of the External Auditors shall attend meetings upon invitation of the Committee. The Committee may, as and when deemed necessary, invite other Board members and Senior Management members to attend the meetings.

The Committee shall meet at least twice (2) a year with the External Auditors without the presence of any executive Board member. In addition, Management, the Internal Auditor and the External Auditors may request for a private session with the Committee to discuss any matter of concern. Other Board members and employees may attend meetings upon the Committee's invitation.

The Audit & Risk Management Committee may deal with matters by way of circular reports and resolutions in lieu of convening a formal meeting. A resolution in writing signed by all members in lieu of convening a formal meeting shall be as valid and effectual as it had been passed at a meeting of the Audit & Risk Management Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members.

4 Authority

The Committee is authorised to investigate any matters within its Terms of Reference and all employees are directed to cooperate with any requests made by the Committee.

The Committee shall have full and unrestricted access to any information pertaining to the Group. The Committee shall have direct communication channels with the Internal and External Auditors and shall be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other directors and employees, whenever deemed necessary.

The Committee shall have the resources that are required to perform its duties. The Committee can obtain, at the expense of the Company, outside legal or other independent professional or other advice it considers necessary.

Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Malaysia, the Committee shall promptly report such matter to Bursa Malaysia.

5 Responsibilities and duties

In fulfilling its primary objectives, the Committee shall undertake the following responsibilities and duties:

A. Risk Management

- Review and evaluate the adequacy and effectiveness of risk management system instituted within the Group.
- Assist the Board in establishing a sound risk framework to manage risks, which includes:-
 - (i) reviewing the Group's risk philosophy/ policy;
 - (ii) reviewing the extent to which management has established an effective enterprise risk management framework;
 - (iii) reviewing the Group's risk management framework and assessing the resources and knowledge of management and staff involved in the risk management process;
 - (iv) reviewing the Group's risk profile and risk tolerance; and
 - (v) report to the Board on the effectiveness of the risk management framework and the Group's risk profile and appetite.

B. Internal Audit

- Review the adequacy of the internal audit scope, functions, competency and resources of the Internal Audit function and that it has the necessary authority to carry out its work;
- Review the internal audit programmes, processes, and reports to evaluate the findings of internal audit and to ensure that appropriate and prompt remedial action is taken by Management on the recommendations of the Internal Audit function;
- Review the adequacy and integrity, including effectiveness, of internal control systems, management information system, and the Internal Auditor's and/ or External Auditor's evaluation of the said systems;
- Review the Internal Audit Charter, budget and staffing of the Internal Audit function;

- Review the performance of Internal Auditors, who will report functionally to the Committee, on an annual basis. Approve any appointment or termination of senior members of the Internal Audit function and take cognisance of resignations and providing the resigning members an opportunity to submit reasons for resigning;
- To discuss and review of major findings of any internal investigations and the management's response;
- To ensure the internal audit function is independent and reports directly to the Audit & Risk Management Committee. The head of internal audit should have relevant qualifications and responsible for providing assurance to the Audit & Risk Management Committee that the internal controls are operating effectively. The head of internal audit will be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control and governance processes within the Company (in the absence of management, where necessary); and

C. External Audit

- To nominate and recommend the appointment or re-appointment of the external auditors and any issues regarding resignation or dismissal of the external auditors and to review the letter of resignation from the external auditors, if applicable and report the same to the Board. In considering the appointment or re-appointment of the external auditors, to consider amongst others:
 - (i) the adequacy of the experience and resources of the accounting firm
 - (ii) the persons assigned to the audit;
 - (iii) the accounting firm's audit engagements;
 - (iv) the size and complexity of the Group being audited;
 - (v) the number and experience of supervisory and professional staff assigned to the particular audit
- Review the appointment and performance of External Auditors, the audit fee and any question of resignation or dismissal before making recommendations to the Board;
- Review the external auditors' management letter and management's response;
- To establish policies and procedures to assess the suitability and independence of the external auditors;
- To review the competency and performance of the external auditors and whether there is any reason, supported by ground, to believe that the external auditors are not suitable for re-appointment;
- Review with the external auditors the statement on Risk Management and Internal Control for inclusion in the Annual Report;
- Review with the External Auditors, the audit scope and plan, including any changes to the planned scope of the audit plan;
- Review the independence, suitability and objectivity of the External Auditors and their services, including non-audit services and the professional fees, so as to ensure a proper balance between objectivity and value for money;

- Review the non-audit services provided to the Company for the financial year, including the nature of the non-audit services, fee levels of the non-audit services - individually and in aggregate relative to the external audit fees and safeguards deployed to eliminate or reduce the threat to objectivity and independence in the conduct of the external audit resulting from the non-audit services provided; In the event that the non-audit fees paid to the external auditors, or a firm or corporation affiliated to the external auditors' firm are significant that is, equal to 50% of the total amount of audit fees paid to the external auditors, the Company is required to state the details on the nature of non-audit services-rendered in the Audit & Risk Management Committee report.
- Develop and review for recommendation to the Board, the Company's policy in relation to the provision of non-audit services by the external auditors, which amongst others, takes into consideration:
 - whether the skills and experience of the audit firm makes it a suitable service provider for non-audit services;
 - whether there are safeguards in place to eliminate or reduce to an acceptable level any threat to objectivity or independence in the conduct of the audit resulting from non- audit services provided by the external auditors; and
 - the nature of the non-audit services, the related fee levels and the fee levels individually and in aggregate relative to the external audit fees of the Company.

D. Audit Reports

- Review the external and internal audit reports with the External and Internal Auditors to ensure that appropriate and prompt remedial actions are taken by Management on major deficiencies in controls or procedures that are identified
- Review major audit findings and Management's response during the financial year with Management, External Auditors and Internal Auditors, including the status of previous audit recommendations

E. Financial Reporting

- Review the quarterly results and the year-end financial statements, prior to approval by the Board, focusing particularly on:
 - changes in or implementation of accounting policies and practices;
 - significant adjustments or unusual events;
 - significant matters highlighted including financial reporting issues, significant judgements made by the management, significant and unusual events or transactions and how these matters are being addressed;
 - going concern assumptions; and
 - compliance with applicable approved Financial Reporting Standards, regulatory and other legal requirements.

F. Related Party Transactions

- Review any related party transactions and conflict of interest situations that may arise within the Company or the Group, including any transactions, procedures or courses of conduct that raise question on Management's integrity.

G. Other Matters Delegated by the Board

- Review the Committee's Terms of Reference as conditions dictate;
- Review the assistance given by the Group's employees to the Auditors, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information;
- Direct and, where appropriate, supervise any special projects or investigation considered necessary, and review investigation reports and Management's response on any major defalcations, frauds and thefts;
- Review procedures in place to ensure that the Group is in compliance with the Companies Act, 2016, Listing Requirements of Bursa Malaysia and other legislative and reporting requirements;
- Prepare reports, at least once (1) a year, to the Board summarising the work performed in fulfilling the Committee's primary responsibilities; and
- Carry out any other activities, as authorised by the Board.

4. Revision of the Terms of Reference

- (i) This Terms of Reference shall be reviewed annually by the Audit & Risk Management Committee.
- (ii) Any revision or amendment to this Terms of Reference, as proposed by the Audit & Risk Management Committee or any third party, shall first be presented to the Board for its approval.
- (iii) Upon the Board's approval the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

This revised Terms of Reference was adopted by the Board on 18 February 2022.

TERMS OF REFERENCE FOR NOMINATING COMMITTEE

1 Objectives

The Nominating Committee (“the Committee”) of Malaysia Smelting Corporation Berhad was formed by the Board on 28 February 2002. Its primary function, in line with the Malaysian Code on Corporate Governance and Paragraph 15.08A(2) of the Main Market Listing Requirements of Bursa Malaysia (“Listing Requirements”), is to assist the Board in the following areas:

- Develop and review policies and procedures governing the composition for effective and efficient functioning of the Board.
- Review and assess the mix of skills, experience, size and diversity of the Board;
- Recommend to the Board on candidates for directorship, on the re-appointment and re-election of Directors and the Directors to sit on Board Committees;
- Facilitate relevant induction programmes for newly appointed Directors as well as continuing education programmes for existing Directors; and
- Review and assess the contribution, effectiveness and performance of individual Director, as well as the effectiveness of the Board and its Committees;
- Review and assess the criteria for assessment of independence for Independent Directors (“IDs”);
- Recommend to the Board the continuation of office of the IDs whose tenure has exceeded a cumulative term of nine (9) years, as ID of the Company.

The existence of the Committee does not diminish the Board’s ultimate responsibility for decision-making relating to the work of the Committee.

2 Membership

The membership of the Committee shall comprise of exclusively Non-Executive Directors (“NEDs”) and consist of at least three (3) members.

The Chairman of the Committee shall be a Non-Executive Director appointed by the Board.

The majority of the members of the Committee shall comprise of Independent Non-Executive Directors.

3 Quorum and Meeting Procedures

The Committee shall meet at least once (1) a year. More meetings may be conducted if the need arises. The quorum for a meeting of the Committee shall be two (2) members, present in person.

A resolution in writing, signed by all the members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.

The Secretary of the Company shall be secretary (the "Secretary") of the Committee. Should the Chairman of the Committee be absent from meeting, the Committee members present shall appoint a Chairman from amongst them for that particular meeting. In addition to the regular scheduled meeting, the Chairman shall call a meeting of the Committee if so requested by any member of the Committee or by the Chairman of the Board. If a member is unable to be physically present, the member may choose to participate via video or tele-conferencing.

The Secretary, in consultation with the Chairman of the Committee, shall draw up the agenda of the meeting. The agenda, together with the relevant papers, shall be circulated at least seven (7) days prior to each Committee meeting. The Secretary of the Committee shall keep the minutes of meetings and copies thereof shall be circulated to all members of the Board.

4 Authority

The Board has authorised the Committee, within the scope of its duties and responsibilities set out in this Charter to:

- perform the activities required to discharge its responsibilities and make the relevant recommendations to the Board;
- select, engage and obtain, at the cost of the Company, professional advice in order for the Committee to carry out its duties; and
- have full and unrestricted access to information pertaining to the Company.

5 Rotation of Members

Rotation of the Committee members is encouraged, where practical, to ensure undue reliance is not placed on a particular individual.

6 Attendance

The Chairman of the Committee, or the Committee members with the approval from the Chairman, may invite any person or persons to attend the Committee meetings, but not necessarily for the full duration of the meeting.

7 Duties

The duties of the Committee are as follows:

A. Board composition

- develop and review the Board Diversity policy by considering the mix of skills, independence and gender diversity required for the Board to optimise its effectiveness, creativity and capacity;
- consider the size of the Board and Board Committees with a view of determining the impact of the number upon the Board's and Board Committees' effectiveness and recommend to the Board any improvements to be made;
- review and oversee the development of a succession planning framework for Board members

B. Board nomination and election process

- review the nomination and election process of directors including that for candidature in Board Committees;
- develop, maintain and review the criteria to be used in the recruitment process;
- make recommendations to the Board, candidates for all directorships in the Company. All candidates shall be assessed for suitability based on the following criteria:
 - skills, knowledge, expertise and experience;
 - character, professionalism and integrity;
 - boardroom diversity including gender, age and ethnicity diversity;
 - commitment (including time commitment) to effectively discharge his/her role as a Director;
 - competence;
 - contribution and performance;
 - number of directorships and other external obligations held which may affect time commitment and value contribution; and
 - in the case of candidates for the position of ID, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/ functions as are expected from IDs.

In making recommendations, the Committee shall also consider potential candidates identified by the Group Chief Executive Officer, Directors and shareholders.

- Make recommendations to the Board for the appointment of the Chairman, Group CEO and Senior Independent Director, including an assessment of the time commitment expected and recognising the need for availability in the event of crises;
- Develop, maintain and review the criteria to be used in the recruitment process of Directors. The nomination and election process should be disclosed in the Annual Report;

- recommend to the Board, Directors to fill the seats on Board Committees;
- recommend the appointment of any Director to executive or other office;
- review the re-appointment and re-election process of Directors having due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required;
- any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of the laws and their service contracts;

C. Assessment undertaken in respect of its Board, Committees and individual Directors

- develop, maintain and review the criteria to be used in the assessment of Board as a whole, Board Committees and individual Directors;
- conduct annual assessments on the effectiveness of the Board as a whole, Board Committees and the contribution of each individual Director including his time commitment, character, experience and integrity. All assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented and disclosed in the Annual Report;
- assess annually the terms of office and performance of the Audit & Risk Management Committee and each of its members to determine whether they have carried out their duties in accordance with their terms of reference;
- conduct annual review on the required mix of skills, experience and other qualities of the Board, including core competencies which NEDs shall bring to the Board;
- develop and review the criteria to assess the independence of INEDs;
- review the character, experience, integrity, competence and time to effectively discharge the roles of chief executive officer and chief financial officer; and
- consider and recommend Directors for re-election/re-appointment at each Annual General Meeting

D. Induction and training of Directors

- recommend to the Board and facilitate appropriate induction and education programme for new Directors;
- evaluate the training needs of Directors based on Directors' feedback and results from assessments and propose relevant training courses, review the fulfilment of each training, and disclose details in the Annual Report
- ensure that the Directors are kept abreast of all regulatory changes and developments in the business environment;

8 Reporting

The Chairman shall report on each meeting of the Committee to the Board regarding all relevant matters and appropriate recommendations, for notation or approval by the Board.

9 Committee Ethics and Procedures

All members shall safeguard all internal committee communications concerning any candidates and treat them as strictly private and confidential, and for the use of Committee members only.

The Committee may be required to check references and consult selected third party sources on a confidential basis before making its final recommendations. The Committee shall work diligently amongst the members of the Board in performing its evaluations and adhere to the Code of Ethics.

10 Revision of the Terms of Reference

The terms of reference shall be reviewed by the Committee as and when required. All amendments to the terms of reference must be approved by the Board.

TERMS OF REFERENCE FOR REMUNERATION COMMITTEE

1 Objective

The Remuneration Committee (the "Committee") of Malaysia Smelting Corporation is established to assist the Board in relation to following areas:

- recommending to the Board, executive remuneration policy, remuneration framework and performance measures criteria; and
- proposing to the Board, remuneration of the Executive Director, Non-Executive Directors (including Independent Directors) and Senior Management (i.e. Deputy General Manager and above).

The existence of the Remuneration Committee does not diminish the Board's ultimate responsibility for decision-making relating to the work of the Committee (e.g. to ensure the integrity of the Group's remuneration and human resource policies).

2 Membership

The members of the Committee shall comprise exclusively or majority of Non-Executive Directors and number at least three (3) in total.

The Chairman of the Committee shall be a Non-Executive Director appointed by the Board.

3 Quorum and Meeting Procedures

The Committee shall meet at least once (1) a year. More meetings may be conducted if the need arises. The quorum for a meeting of the Committee shall be two (2) members, present in person.

A resolution in writing, signed by all the members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.

The Secretary of the Company shall be secretary (the "Secretary") of the Committee. Should the Chairman of the Committee be absent from meeting, the Committee members present shall appoint a Chairman from amongst them for that particular meeting. In addition to the regular scheduled meeting, the Chairman shall call a meeting of the Committee if so requested by any member of the Committee or by the Chairman of the Board. If a member is unable to be physically present, the member may choose to participate via video or tele-conferencing.

The Secretary, in consultation with the Chairman of the Committee, shall draw up the agenda of the meeting. The agenda, together with the relevant papers, shall be circulated at least seven (7) days prior to each Committee meeting. The Secretary of the Committee shall keep the minutes of meetings and copies thereof shall be circulated to all members of the Board.

4 Authority

The Board has authorised the Committee, within the scope of its duties and responsibilities set out in this Charter to:

- perform the activities required to discharge its responsibilities and make the relevant recommendations to the Board;
- select, engage and obtain, at the cost of the Company, professional advice in order for the Committee to carry out its duties; and
- have full and unrestricted access to information pertaining to the Company.

5 Rotation of Members

Rotation of the Committee members is encouraged, where practical, to ensure undue reliance is not placed on a particular individual.

6 Attendance

The Chairman of the Committee, or the Committee members with the approval from the Chairman, may invite any person or persons to attend the Committee meetings, but not necessarily for the full duration of the meeting.

7 Duties

The duties of the Committee shall be to review and recommend to the Board the remuneration packages of Executive Director, Non-Executive Directors and Senior Management in all its forms and to review the Group's remuneration policies and procedures. The Committee shall also consider and review any service contracts and remuneration package for newly appointed Executive Director(s), prior to their appointment.

The level of remuneration should be aligned with the business strategy and long-term objectives of the Company, complexity of the Company's activities, and reflects the experience and level of responsibilities undertaken by the Directors and Senior Management.

The determination of remuneration packages of Executive Directors and Non-Executive Directors should be a matter for the Board as a whole where the individuals concerned shall abstain from discussion of their remuneration. No individual shall take part in any discussion concerning specifically his or her remuneration.

The Committee shall take into consideration the following:

- the remuneration of the Executive Director in relation to performance measures agreed and approved by the Board and shareholders;
- the remuneration of Non-Executive Directors in relation to the level of contribution of the Directors;
- the appropriate level of remuneration of Non-Executive Directors to safeguard objectivity and independence (for Independent Non-Executive Directors).

- the performance-related elements of remuneration should be designed to align interests of the Executive Director with those of shareholders and link rewards to Group and individual performance. There should be appropriate and meaningful measures for the purpose of assessing Executive Director's performance;
- the remuneration of Non-Executive Directors' should be appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Directors. Non-Executive Directors should not be over-compensated to the extent that their independence may be compromised; and
- the Group should be aware of pay and employment conditions within the industry and in comparable companies but they should use such comparison with caution in view of the risk of an upward ratchet of remuneration levels with no corresponding improvements in performance.

8 Reporting

The Chairman shall report on each meeting to the Board regarding all relevant matters and appropriate recommendations, in a written report for noting or approval by the Board.

The determination of remuneration packages of Directors, including the Chairman should be a matter for the Board as a whole. The individuals concerned should abstain from discussion of their own remuneration.

9 Committee Ethics and Procedures

All members will safeguard all internal committee communications concerning any candidates and treat them as strictly private and confidential, and for the use of Committee members only, without exception.

The Committee may be required to check references and consult selected third-party sources on a confidential basis before making its final selections. The Committee will work diligently amongst the members of the Board in performing its evaluations and adhere to the Code of Ethics.

10 Revision of the Terms of Reference

The terms of reference shall be reviewed by the Committee as and when required. All amendments to the terms of reference must be approved by the Board.

DIRECTORS' REMUNERATION POLICY

1 Purpose

The Remuneration Policy ("the Policy") has been adopted by the Board of Directors of Malaysia Smelting Corporation Berhad (the "Company" or "MSCB") on 24 February 2017 and it sets out to provide remuneration principles and guidelines for the Non-Executive Directors ("NEDs") and Executive Director ("ED") of MSCB.

In setting the Remuneration Policy, the Remuneration Committee recognises the need to be competitive in today's volatile business environment. The Policy is designed with the aim to support the Company's key strategies and create a strong performance-orientated environment, and be able to attract, motivate and retain talent. The Remuneration Policy shall adhere to the following key principles:

- Total remuneration should be set at levels that are competitive with the relevant market and industry;
- ED's total reward should be performance-based (i.e. earned through the achievement of performance targets); and
- Incentive plans, performance measures and targets should align to shareholders' interest.

Remuneration of ED is made up of basic salaries, monetary incentives, and fringe benefits and is linked to the achievement of corporate performance targets. ED's remuneration shall be in accordance with their respective service contracts.

Remuneration of NEDs is made up of directors' fees and allowances. The level of remuneration for the NEDs must reflect the experience and level of responsibilities undertaken by the NED concerned. The remuneration of an NED shall not be based on commission, the percentage of profits, or turnover. It shall also not include commission based on the percentage of turnover. Fees payable to NED should not be increased except in pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

2 Remuneration Committee

The Remuneration Committee determines remuneration practices with the aim of attracting, motivating and retaining high caliber ED and NEDs to deliver value for shareholders and high levels of customer service, safety and reliability in an efficient and responsible manner. Performance-based remuneration is determined in a manner which promotes sound risk management and does not induce excessive risk-taking.

The ED shall not play any part in the decision of his own remuneration but may attend the committee meetings at the invitation of the Chairperson of the Remuneration Committee, if his presence is required. The determination of NED's remuneration is decided by the Board, as a whole, with individual Directors abstaining from discussion of his / her own remuneration.

Where the Board appoints a Director to the Company, the Board through the Remuneration Committee will formally determine the remuneration of the said Director in the spirit of this Policy.

3 Policy on Salaries of Executive Director

Salary for ED consists of both fixed (i.e. base salary) and variable (performance based incentive) remuneration components. The remuneration of the ED is to ensure the Company's continued ability to attract and retain the most qualified Executive Board members.

Variable remuneration may contain any or all of the following:

- Special short-term incentive (i.e. bonus) payments to reward individuals for outstanding business contributions, and in meeting with established KPIs and / or set at a level sufficient to provide the ED with the motivation to achieve operational targets; and
- The long-term incentive (i.e. performance based incentive) payments shall be designed to link the ED's reward with KPIs that drive sustainable growth in shareholder value over the long term, with the objective of aligning the ED's incentives with shareholders' interests, and to balance the short-term with long-term focus.

The Compensation and Benefits Plan is reviewed by the Remuneration Committee on an annual basis.

4 Policy on Other Benefits (Non-Cash Benefit) for the Executive Director

The Company provides competitive benefits to ED, such as a fully expensed car or cash alternative in lieu of car, company driver, fuel expenses, private medical insurance, and life insurance. Allowances relating to business expenses (i.e. entertainment and travel) incurred are reimbursed in such a way as to give rise to no additional compensation to the ED. All claims for reimbursements must be accompanied with receipts and should be submitted to the respective immediate superior for processing on a timely basis.

5 Policy on Remuneration of Non-Executive Directors

NEDs receive remuneration in the form of directors' fees as compensation for their services plus the reimbursement of expenses (i.e. meeting allowances) incurred in the course of performing their services.

The fees of the NEDs are reviewed by the Remuneration Committee once every two (2) years and where necessary, advised by subject matter experts or consultants, taking into account the fees paid to NEDs of comparable companies and capacity to attract and retain highly competent NEDs.

NEDs are not entitled to receive performance-based bonuses nor participate in short-term and / or long-term incentive plans. The remuneration composition of NEDs is as follows:

| Position Held | Directors Fee ¹ | Meeting Allowances ² |
|-----------------------|--------------------------------------|---------------------------------|
| Board member | √ | √ |
| Chairman of the Board | % * increase based on directors' fee | √ |
| Committee Chairman | % * increase based on directors' fee | √ |

* The increase recognizes the additional responsibilities commensurate with this role. The percentage is benchmarked against other comparable companies in size and/ or industry and recommended by the Remuneration Committee.

¹ The Company's Article of Association provides that an increase in payment of Directors' fee should be approved by shareholders at a General Meeting.

² Meeting allowances are paid to compensate or reimburse NEDs for time spent or expenses incurred in the course of or in connection to work rendered in the interest of MSCB. No distinction will be made between participation in person and participation by video, telephone or such other mode that permits all participants to be heard. Meeting allowances claims are to be completed by the Company Secretary when taking attendance for minutes and signed by the Chair of the Board/Committee.

6 Measurable Objectives

On a biennial basis, in connection with the performance assessments of each Board member, the developments in market practices are assessed systematically. The Remuneration Committee will discuss and agree on all measurable objectives for offering fair remuneration packages for ED and NEDs and recommend them to the Board for adoption.

The Board is free to seek to improve one or more aspects of the remuneration packages and measure progress accordingly.

7 Corporate Governance

On an annual basis, the Remuneration Committee will review and assess the effectiveness of the Policy. Any requirement for amendment shall be deliberated by the Committee, and any recommendation for revisions shall be presented to the Board for approval. Based on recommendations from the Remuneration Committee, the Board will submit any adjustments in Directors' fees to the General Meeting for approval.

Disclosure on the Directors' remuneration will be made in the corporate governance statement of the Company's Annual Report. Such report will include a summary of this Policy and details of the directors' remuneration in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad.

The Policy will be held in the custody of the Company Secretary of MSCB.

CORPORATE DISCLOSURE POLICY

Scope and objectives of Policy

Pursuant to the Listing Requirements (“LR”) set by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Paragraph 9.03 Part C, a prescribed minimum amount of disclosure has been outlined for listed issuers. This Corporate Disclosure Policy (hereinafter referred to as the “Policy”) aims to integrate the mandatory requirements set out in the LR with the Recommendations promulgated by the Malaysian Code of Corporate Governance 2012 (“MCCG 2012”), thus instilling the tenets of good governance within the practices of Malaysia Smelting Corporation Berhad (“MSCB” or the “Company”).

This document outlines the Company’s policy on the determination and dissemination of sensitive and material information to investors, stakeholders, local media, the investing public and other relevant persons in line with the applicable legal and regulatory requirements. This Policy is applicable to all Directors, Management staff, officers and employees of the Company and its subsidiaries.

Immediate disclosure of material information

Immediate announcements must be made of material information in accordance with the LR set out by Bursa Malaysia. Once materiality of the information has been assessed, the designated spokesperson is responsible for the timely disclosure of the information in accordance with the disclosure obligations set out in the LR. A general guideline to determine materiality is if the information is reasonably expected to impact on:

- price, value or market activity of any of its securities; or
- investors’ decision in determining his course of action.

The material information may include information which:

- i) concerns the Company’s assets and liabilities, business, financial condition or prospects;
- ii) relates to dealing with employees, suppliers, customers and others;
- iii) relates to any event affecting the present or potential dilution of the rights or interests of the Company’s securities; or
- iv) relates to any event materially affecting the size of the public holding of its securities

In relation to any material information that is being withheld temporarily, MSCB is committed to ensuring the strictest confidentiality is maintained.

All disclosures made must be in a reader-friendly format allowing for easy understanding by all parties. MSCB is committed to disclosing information that is accurate, succinct, balanced, unambiguous and free of technical jargon.

Disclosures made are to adhere to the following protocols:

- all critical announcements are to be circulated to, and reviewed by, all members of the Board;
- all members of the Board are required to provide to the Chairman or Group Chief Executive Officer (or in their absence the Company Secretary) with verbal or written approval of each announcement, prior to its release;

- any relevant parties referenced in the announcement should also review the announcement prior to its release, to confirm the accuracy of the information; and
- the Chairman or Group Chief Executive Officer (or in their absence, the Company Secretary) is to provide his approval of the announcement before release to Bursa Malaysia.

Designated Spokesperson

The Company shall elect a spokesperson to be responsible for the oversight and coordination of the disclosure of material information to the markets. The duties of the spokesperson shall include:

- creating awareness amongst the directors, management and employees of MSCB on the importance of timely disclosures;
- review the material for disclosure to ensure adherence to regulatory requirements;
- ensures that the material is duly verified by the Board/ Group Chief Executive Officer/Chief Financial Officer;
- ensures the information is disclosed in a timely manner as prescribed by regulations;
- maintain accurate records pertaining to all disclosures made; and
- is constantly updated on developing material information in relation to MSCB.

The level of autonomy for the designated spokesperson is a matter for deliberation of the Board as a whole.

Thorough public dissemination

MSCB shall release material information to the public via announcement first to Bursa Securities or simultaneously to Bursa Securities, the press and newswire services. No disclosure of material information shall be made on an individual or selective basis unless such information has previously been fully disclosed and disseminated to the public. The disclosure of information can often be made after the market closes. Where disclosure is immediately before or during trading hours, Bursa Securities may impose a temporary halt or suspension in trading of MSCB's securities.

Market rumours

It is the policy of MSCB to clarify/ confirm or deny any circulating market rumours upon becoming aware of the presence of any material information. Any clarification provided will be in a published format, for the purpose of dissemination to the investing public.

Unusual Market Activity

MSCB shall carry out an enquiry to ascertain the cause of any unusual market activity in its securities. In the case of any misinterpretations, clarification shall be provided via the appropriate channels in the Exchange.

Insider Trading

The Company affirms its awareness of the provisions of Section 188 of the Capital Markets and Services Act in regards to insider trading. Directors, Management and employees of MSCB and its subsidiaries shall not trade on the basis of any material information that has not been disclosed to the public.

Promotional Disclosure Activity

Guided by the principles of fairness and transparency, MSCB shall not participate in any promotional disclosure activity that may have a misleading effect on its investors or cause unwarranted activity within its securities.

Administrative matters

On an annual basis, the Company Secretary will review and assess the effectiveness of the Policy. Any requirement for amendment shall be deliberated upon by the Board and any recommendations for revisions shall be highlighted proposed for approval.

The Policy will be held in the custody of the Company Secretary.