



PMW INTERNATIONAL BERHAD

[Registration No. 202401003380 (1549230-X)]

(Incorporated in Malaysia)

BOARD OF CHARTER

BOARD CHARTER

1. INTRODUCTION

The Board of Directors (“Board”) of PMW International Berhad (“PMW” or “Company”) and its subsidiaries (“Group”) adopts this Board Charter to outline the manner in which the constitutional powers and responsibilities of the Board will be exercised and discharged, having regard to principles of good corporate governance, international best practice and applicable laws.

This Board Charter shall also constitute and form an integral part of each Director’s duties and responsibilities.

This Board Charter is not an “all inclusive” document and should be read as a broad expression of principles.

2. ROLES AND RESPONSIBILITIES

2.1 Role of Board

In discharging its responsibilities and facilitating its on-going oversight of PMW Group, the Board has agreed its role includes, but not limited to the following matters:

2.1.1 Ethics and Compliance

- (a) The Board is charged with leading and managing the Group in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Group. The Directors are, collectively and individually, aware of their responsibilities to the shareholders and stakeholders for the manner in which the affairs of the Company are managed. The Board sets the Group’s values and standards and ensures that its obligations to its stakeholders are understood and met;
- (b) All Directors observe high ethical business standards, honesty and integrity and to apply these values to all aspects of the Group’s business and professional practice and act in good faith in the best interests of the Group and its stakeholders;
- (c) The Board understands that the responsibility for good corporate governance rests with them and therefore strives to comprehend and apply the principles and practices stated in the Malaysian Code on Corporate Governance (“MCCG”). The Board includes a narrative statement in the Annual Report of the Company on the extent of compliance with the principles and best practices in

corporate governance pursuant to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”);

- (d) The Board shall meet at least once every quarter to facilitate the discharge of their responsibilities. The meetings of the Board may be conducted by means of telephone conference, video conference or any other form of audio or audio-visual instantaneous communication and the participation in the meeting pursuant to this provision shall constitute presence in person of such meeting. Members of the Management who are not Directors may be invited to attend and speak at meetings on matters relating to their sphere of responsibility;
- (e) The Board establishes the corporate vision and mission, as well as the philosophy of the Group to ensure that necessary resources are in place for the Group to meet its objective setting the aims of the management and monitoring the performance of the Management;
- (f) The Board oversees the business and affairs of the Company and will assume, amongst others, the following duties and responsibilities in meeting the goals and objectives of the Company:
 - (i) reviewing, approving and monitoring the overall strategies and direction of the Group and to ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
 - (ii) overseeing and evaluating the conduct and performance of the Group’s businesses, including its internal control and accountability systems;
 - (iii) together with senior management, promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviours;
 - (iv) identifying and, understanding principal risks of the Group’s business and recognising that business decisions involve the taking of appropriate risks;
 - (v) developing and implementing an investor relations programme or shareholders’ communications policy for the Group to enable effective communication with stakeholders;

- (vi) reviewing the adequacy of the Group's internal control policy;
- (vii) reviewing and providing input into and final approval of the annual business plan, financial statements and annual report;
- (viii) reviewing and approving major capital expenditure, capital management and acquisitions/divestitures;
- (ix) reviewing and monitoring systems of risk management to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks and internal compliance and controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies;
- (x) ensuring that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of the Board and senior management;
- (xi) undertaking a formal and objective annual evaluation to determine the effectiveness of the Board, the Board Committees and each individual Director;
- (xii) ensuring there is an orderly succession of senior management positions who are of high calibre and have the necessary skills and experience. The Board delegates to the Nomination and Remuneration Committee ("NRC") to review succession plans and remuneration packages for the Directors. The Board also ensures that there are appropriate policies for training, appointment and performance monitoring of management positions;
- (xiii) ensuring that the all the Directors of the Company are able to understand financial statements and form a view on the information presented; and
- (xiv) ensuring the integrity of the Company's financial and non-financial reporting.

2.1.2 Policies and Strategies

- (a) The Board has established written procedures (such as the Constitution of the Company and other documents) to determine issues that require a decision of the full Board and issues that can be delegated to Board Committees or Management.

- (b) The Board oversees the Company's policies as a whole. This includes the Code of Conduct and Ethics ("Code"), Anti-Fraud and Whistleblowing Policy ("Whistleblowing Policy") and other significant policies recommended under MCCG. The Code promotes ethical values and standards in the workplace while ensuring appropriate internal control systems are in place to support, promote and ensure its compliance. The Whistleblowing Policy and Procedures sets the appropriate communication channels to facilitate whistleblowing by employees, customers, suppliers and other stakeholders.
- (c) The Board reserves full decision-making powers, amongst others, on the following matters (save to the extent that the Board resolves that determination and/or approval of any such matter shall be delegated to the Board Committees or Management):
 - (i) Conflict of interest issues relating to a substantial shareholder or a Director;
 - (ii) Material acquisitions and disposals of undertakings and properties;
 - (iii) Investments in capital projects;
 - (iv) Limit of authority levels;
 - (v) Risk management policies;
 - (vi) Key human resource issues;
 - (vii) Declaration of dividend and Directors' fees;
 - (viii) Strategic issues and planning, including sustainability;
 - (ix) Budget and performance reviews;
 - (x) Quarterly financial results and audited financial statements;
 - (xi) Material borrowings;
 - (xii) Treasury policies; m. Proposed appointment of external auditors and their audit fees;
 - (xiii) Related party transactions ("RPT"), recurrent RPT and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedures or course of conduct that raises question on management integrity and any recommendations relating

thereto as set out in the terms of reference of the Audit and Risk Management Committee (“ARMC”); and

(xiv) New venture.

2.1.3 Internal Controls and Risk Management

- (a) The Board oversees, reviews and monitors the operation, adequacy and effectiveness of Group’s system of internal controls.
- (b) The Board shall ensure that Management has in place appropriate processes for risk management, assessing its effectiveness and reviewing any major/significant risk face by the Group.
- (c) The Group has internal audit function, which critically reviews all aspects of the Group’s activities and its internal controls. Comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries are undertaken by the Internal Auditors on a regular basis.

Internal Auditors shall have direct access to the Board through the Chairman of ARMC.

2.2 Fit and proper policy

The Board must:

- (a) have a fit and proper policy for the appointment and re-election of Directors of the Group to ensure that each of its Director has the character, experience, integrity, competence, time and commitment to effectively discharge his/her role as a Director of the Company.
- (b) make available the fit and proper policy on the Company’s website.

2.3 Role of Individual Directors

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

- (a) acting in good faith and in the best interests of the Company as a whole and for proper purpose;
- (b) acting with care and diligence of reasonable person subject to business judgement rule;

- (c) avoiding conflicts of interest with the Company in a personal or professional capacity;
- (d) refraining from making improper use of information gained through the position of Director and from taking improper advantage of the position of Director;
- (e) disclosure of and abstaining from voting on matters of material personal interest; and
- (f) compliance with all relevant corporate laws, securities legislation and the Listing Requirements.

Directors will keep all Board information, discussions, deliberations and decisions that are not publicly known confidential and not use information gained through the Board for their interest, or their employers' interest.

2.4 Role of Independent Directors

An Independent Director means a director who is independent of management and free of any business or other relationship which could interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgement or the ability to act in the best interest of the Company and meet the definition of “independent director” in the Listing Requirements.

The Independent Directors shall provide independent judgement, experience and objectivity without being subordinated to operational considerations.

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

It is necessary for the Independent Directors to:

- (a) ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subject to objective and impartial consideration by the Board;
- (b) Prepare themselves thoroughly for Board meeting, i.e. providing independent view/judgement during the deliberation and going through the meeting material before the Board meeting;
- (c) Be objective in forming sound decisions relating to the Group's business;

- (d) Be open minded, free and frank in expressing their opinions and at the same be willing to engage in meaningful debates;
- (e) Be committed to decisions made as a Board;
- (f) Regularly seek information both from within and if required outside professional knowledge to keep abreast with the latest developments in the areas of the Group's operations;
- (g) Constructively challenge and contribute to the development of the business strategies and direction of the Group;
- (h) Mitigate any possible conflict of interest between the policy-making process and day-to-day management of the Group.
- (i) Be informed on laws and regulations influencing their function and responsibilities as Directors;
- (j) Utilise the expertise they possess to the good advantage of the Group;
- (k) The most important role those Independent Directors play directly in relation to the Board is the objective view that they bring in while evaluating the Board and the management decisions, creating a balance in the interest of the shareholders. These areas are among others, executive remuneration, succession planning and changes in corporate control, take-overs and acquisitions and the audit function.

The Board undertakes to assess the independence of the Independent Directors on an annual basis upon readmission or when any new interest or relationship develops and to ensure compliance with the Listing Requirements.

2.5 Role of Executive and Non-Executive Directors

Executive Directors are the Senior Management of the Company who involved in the day-to-day management of the Group. They assist the Board in decision-making process through their technical expertise and knowledge of the business and its industry. Executive Directors, with the help of management, assist the Board in facilitating the orientation of new Directors and training and development of Directors.

Non-Executive Directors are members of the Board who are not employees of the Group. Non-Executive Directors can be classified as:

- those who have no direct or indirect pecuniary interest in the Group other than their Directors' emoluments and their permitted shareholdings in the Group;
- those who are not employees of the Group or affiliated with it in any other way and are not involved in the day-to-day running of business but

may have a pecuniary interest in the Group, whether direct or indirect;
or

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

Non-Executive Directors need to be sound in judgement and to have an inquiring mind. They should question intelligently, debate constructively, challenge rigorously and decide dispassionately.

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

The responsibilities of Non-Executive Directors are, amongst others, as follows:

- (a) advising and directing management in the development and evaluation of strategy;
- (b) scrutinising the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance;
- (c) satisfying themselves that the financial information presented is true and accurate; and
- (d) reviewing the risk management and internal control systems to ensure that they are robust and defensible.

2.6 Role of Chairman

The position of the Chairman of the Board and the Managing Director/Chief Executive Officer ("MD") of the Company are held by different individuals. Each of their duty and authority should be clearly defined to ensure balance of power and greater capacity for independent decision-making.

- (a) The Chairman leads the Board and is responsible for the effective performance of the Board; and
- (b) The Chairman is responsible for:
 - (i) Leading the Board in setting the values and standards of the Group and in the adoption and implementation of sound corporate governance practice in the Group;
 - (ii) Maintaining a relationship of trust, respectful and constructive between Directors and Senior Management.

- (iii) Leading the Board in establishing and monitoring good corporate governance practices in the Group;
 - (iv) Ensuring the provision of accurate, complete, timely and clear information to Directors;
 - (v) Ensuring effective communication with shareholders and stakeholders and that their views are communicated to the Board as a whole;
 - (vi) Facilitating the effective contribution of Board and ensuring constructive relationship be maintained among Board members; and
 - (vii) Leading and ensuring the effectiveness of the Board by among others, encouraging healthy debates by all Directors, allowing sufficient time for discussion of issues and ensuring that the Board's decisions fairly reflect the Board's consensus.
- (c) The Chairman, in consultation with Management/and Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues in relation to the Group are on the agenda.
- (d) The Chairman ensures orderly conduct and proceedings of the Board and general meetings and is responsible for managing the business of the Board to ensure that:
 - (i) All Directors are properly briefed on issues in relation to the Group and complete and accurate information in relation thereto 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 concentrates on strategy of the Group; and
 - (iv) Should the Chairman be absent from a meeting, the members of the Board present at the meeting, may choose one of their members to chair the said meeting.

2.7 Role of MD

The MD leads the Directors in ensuring the effectiveness of all aspects of their roles. His responsibilities include:

- (a) Providing leadership to the Board;

- (b) Overseeing the Board to discharge of its duties effectively;
- (c) Ensuring that the quality information to facilitate decision-making is delivered to the Board members on a timely basis.
- (d) Determining the Group's strategic objectives and policies.
- (e) Implementing the strategic plans as approved by the Board and ensuring the Board's directions are responded to; and
- (f) Monitoring progress towards achieving the objectives and policies of the Group.

2.8 Role of Board Committees

The Board appoints the following Board Committees with the respective Terms of Reference ("TOR"):

- (a) nomination and Risk Management Committee ("ARMC"); and
- (b) Nomination and Remuneration Committee ("NRC")

These Board Committees are designed to consider specific matters and make recommendations to the Board. The Board must make an independent assessment of the recommendations, having regard to the Board's knowledge of the business and risks of the Group and the complexity of the structures and operations of the Group.

The Board may from time to time establish other committees to streamline the discharge of its responsibilities.

Each Board Committee's role has been spelt out in their respective TOR approved by the Board. The Board, through the NC, should review the Board Committees' effectiveness on an annual basis. These assessments can be used to facilitate the NRC's evaluation of Board Committees' performance.

Independent Non-Executive Directors play a leading role in these Committees. The Chairman of the respective Board Committees will report to the Board on the outcome of the Committee meetings.

3 COMPOSITION OF THE BOARD

3.1 Size and Composition

- (a) The Board consists of qualified individuals with diverse experiences, ethnicity, gender, age, backgrounds and perspectives to govern the Company. The composition and size of the Board is such that it facilitates the making of informed and critical decisions. At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board

members must be Independent Directors. The composition and size of the Board will be reviewed from time to time to ensure its effectiveness;

- (b) The Board consists of at least one (1) woman Director; and
- (c) In the event of any vacancy in the Board, resulting in non-compliance with above, the vacancy shall be filled within three (3) months.

3.2 Nomination and Appointments

- (a) The appointment of a new Director is a matter for consideration and decision by the Board, upon appropriate recommendation from the NRC.
- (b) The Company Secretary has the responsibility of ensuring that relevant procedures to the appointments of new Directors are properly executed.
- (c) Upon the appointment of a new Director, the new board member shall be briefed on the terms of their appointment, their duties and obligations and on the operations of the Group. Copies of the following shall be provided to the newly appointed Directors:
 - (i) Board Charter;
 - (ii) Constitution of the Company; and
 - (iii) The Latest Annual Report of the Company.
- (d) Any Board member must not at any one time hold more than five (5) directorships in listed companies in Malaysia.

3.3 Time Period of Office

- (a) An election of Directors shall take place each year at the Annual General Meeting ("AGM") of the Company, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the AGM in every year provided always that all Directors shall retire from office once at least in every three (3) years, but shall be eligible for re-election.
- (b) The Directors to retire in every year shall be the Directors who have been longest in office since the Directors' last election, but as between persons who became Directors on the same day, the Directors to retire shall be determined by lot, unless they otherwise agreed among themselves.
- (c) New Board members will only hold office until the next AGM and will then be eligible for re-election.

3.4 Re-election and Re-appointment

In accordance with the Company's Constitution, all Directors who are appointed by the Board are subject to election by shareholders at the first opportunity after their appointment. The Constitution also provide that at least one-third (1/3) of the remaining Directors be subject to re-election by rotation at each AGM provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

3.5 Tenure of Independent Director

- (a) The tenure of Independent Director should not exceed a cumulative term of nine (9) years.

Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to that the Director is re-designated as a Non-Independent Director.

If the Board intends to retain an Independent Director beyond nine (9) years, the Board should seek annual shareholders' approval at the AGM through a two-tier voting process in accordance with the MCCG.

- (b) Notwithstanding of subsection (i) above, the tenure of an Independent Director in any one or more of the Company must not exceed a cumulative of twelve (12) years from the date of his first appointment as an Independent Director. Upon completion of the twelve (12) years, an Independent Director must resign or be re-designated as Non-Independent Director.

3.6 Time Commitment for Accepting New Directorships

Directors are expected to have such expertise so as to qualify them to make a positive contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Group.

Any Director shall notify the Chairman before accepting any new directorship in other public companies or companies which are subsidiaries of public company.

4. PERFORMANCE

4.1 Directors' Assessment/Board Evaluation

The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Board Committees. The Board reviews and evaluates its own performance and the performance of its Board Committees on an annual basis.

The Board evaluation comprises an Individual (Self and Peer) Assessment and an Assessment of independence of Independent Directors.

The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board Committees and the Chairman's role and responsibilities.

For Individual (Self and Peer) Assessment, the assessment criteria include contribution to interaction, quality of inputs, and understanding of role.

The criteria for Assessment of independence of Independent Directors includes the relationship between the Independent Director and the Company and his/her involvement in any significant transaction with the company.

4.2 Directors' Training and Development

In addition to the Mandatory Accreditation Programmes as required by the Bursa Securities for newly appointed Director, Board members are encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Group's operations and business.

The Board will assess the training needs of the Directors and ensure Directors have access to continuing education programme.

The Board shall disclose in the Annual Report of the Company with regards to the education programme or trainings attended by the Directors.

5. MEETINGS

5.1 Board Meetings

- (a) Meetings of the Board should be held at least four (4) times in a year or more frequently to ensure that all Directors are kept informed on a timely basis of all material quality information affecting the Group and, in a form, and manner appropriate for them to discharge their duties effectively.
- (b) The management is responsible for providing the Board with the required information in an appropriate and timely manner. The Chairman, assisted by the Company Secretary, assesses the type of information required to be provided to the Board. If the information provided by management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and promptly as possible.
- (c) A full agenda and comprehensive Board papers are circulated to all Directors minimum five (5) business days before the date of the meeting except in the case of an emergency, where reasonable notice of every

Board meeting shall be given in writing. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

- (d) The Board papers include amongst others, the following:
 - (i) Group financial results review and quarterly financial report;
 - (ii) Minutes of meetings of all Board Committees;
 - (iii) Reports on RPT and recurrent RPT, if any;
 - (iv) List of Directors' circular resolutions duly signed;
 - (v) Summary of dealings by Directors;
 - (vi) Report on substantial shareholders; and
 - (vii) Risk review reports.
- (e) The Directors may participate in a Board meeting by means of conference telephone, conference videophone or any similar or other communication equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- (f) Any question arising at any meeting of the directors shall be decided by a majority of votes, each director having one (1) vote and a determination by a majority of the directors shall for all purposes be deemed a determination of Board. In the event of an equality of votes, the Chairman is entitled to a second or casting vote.
- (g) Full Board minutes of each Board meeting are kept at the registered office of the Company and are produced for inspection by any Director, if required.

5.2 Directors' Written Resolution ("DWR")

Decisions or resolutions of the Board of Directors are normally reached at a meeting. However, the Constitution of the Company also provide for the passing of resolutions without having to hold a meeting.

Urgent matters that cannot wait until the next Board meeting can be dealt with by a circulating resolution.

Where a decision is to be passed by DWR, the following will observe:

- (a) The subject matter in the DWR is not contentious in nature and material proposal will be deliberated in advance at Board meeting before any circular being subsequently circulated.
- (b) Relevant information and documentation (i.e., contract, declaration of interest by director) pertaining to the resolution to be passed should be attached to the circular resolution which is circulated to the Directors, so as to enable the Directors to make an informed decision.

- (c) DWR, which do not require the signature of all Directors, should still be circulated to the entire Board. This is to ensure that the Board as a whole is aware of decisions that are being made.
- (d) At Board meetings, DWR, which have been passed since the last Board meeting, should be circulated for notation by the Board.

5.3 **Quorum**

The quorum for the Board meeting shall consist of not less than two (2) Directors.

5.4 **AGM**

- (a) The Board regards the AGM as an important event in the corporate calendar of which all Directors and key senior executives should attend. In case of any unforeseen circumstance, at least a majority of the Board and key senior executives should attend the AGM.
- (b) The Company must ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll.
- (c) The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.
- (d) The Chairman encourages active participation by the shareholders during the AGM.
- (e) The Chairman and, where appropriate, the MD shall respond to shareholders' queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting

5.5 **General Meeting**

The Board will consider requisitions by shareholders to convene and general meeting or any other urgent matters requiring immediate attention of the Company.

6. REMUNERATION POLICIES

- (a) The fees and benefits payable to the Directors shall from time to time be determined by an ordinary resolution of the Company in general meeting and

shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree.

- (b) The Directors shall be paid all their travelling and other expenses properly and necessarily incurred by them in and about the business of the Company including their travelling and other expenses incurred in attending Board meetings of the Company.
- (c) The NRC is responsible for reviewing the remuneration package and making recommendations on the same to the Board for approval. In its review, the RC considers various factors, among others, including the compensation levels for comparable positions among other similar public listed companies, Director's fiduciary duties, time commitments expected of them and the Group's performance.
- (d) The review of the Directors' remuneration will be carried out by the NRC on an annual basis for the approval of the Board prior to recommending the Directors' fees for shareholders' approval at the AGM of the Company.
- (e) No Director other than the MD and Executive Directors, where necessary, shall have a service contract with the Company.

7. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

- (a) Directors may access such information and seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgment in decision making.
- (b) Directors will be entitled to:
 - (i) access members of the senior management via the GMD at any time to request relevant and additional information or seek explanations;
 - (ii) have access to internal and external auditors, without management present to seek explanations or additional information; and
 - (iii) seek independent professional advice with the Chairman's prior consent, which will not be unreasonably withheld or delayed, and which will be at the Group's expense.

8. FINANCIAL REPORTING

8.1 Transparency

- (a) The Group aims to present a clear and balanced assessment of the Group's financial position and future prospects that extends to the

interim and price-sensitive information and other relevant reports submitted to regulators.

- (b) The Directors ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Group in accordance with the Malaysian Financial Reporting Standards, Financial Reporting Standards and provisions of the Companies Act 2016 ("the Act").
- (c) The Company's practice is to announce to Bursa Securities its quarterly financial results as early as possible not later than (2) months after the end of each quarter of a financial period.
- (d) The Auditors Report shall contain a statement from the Auditors explaining their responsibility in forming an independent opinion, based on their audit, of the financial statements.

8.2 Company Auditors

- (a) The Board has established formal and transparent arrangements for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company's Auditors through the ARMC.
- (b) The ARMC also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company's Auditors. The Company ensures that the Company's Auditors do not supply a substantial volume of non-audit services to the Group.
- (c) Appointment of the Company's Auditors is subject to approval of shareholders at general meetings. The Company's Auditors have to retire during the AGM every year and be re-appointed by shareholders for the ensuing year.

9. STAKEHOLDER COMMUNICATIONS

9.1 Investor Relations

- (a) The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Group and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.
- (b) The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Group's performance and operations in addition to the various announcements

made during the year to Bursa Securities which may affect investors' investment decision.

- (c) The Group meets financial analysts from time to time as a means of effective communication that enables the Board and management to convey information relating to the Group's performance, corporate strategy and other matters affecting shareholders' interests.
- (d) The Group leverages on information technology for effective dissemination of information.

9.2 Other Stakeholders

In the course of pursuing the vision and mission of the Group, the Board recognises that no company can exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

9.3 Employees

The Board acknowledges that the employees are invaluable assets of the Group and play a vital role in achieving the vision and mission of the Group. The Group adopts documented policies and procedures with respect to the following:

- (a) Occupational safety and health with the objective of providing a safe and healthy working environment for all employees; and
- (b) Industrial relations with the objective of managing employees' welfare and well-being in the workplace.

9.4 Environment

The Board acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the Group's vision and mission.

The Group adopts documented policies and procedures as part of its commitment to protect the environment and contribute towards sustainable development.

9.5 Social Responsibility

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

The Group supports charitable causes and initiatives on community development projects.

10. COMPANY SECRETARY

- (a) The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he or she has been appointed.
- (b) The Company Secretary is accountable to the Board through the Chairman of the Board and the Board Committees on all governance matters.
- (c) The Company Secretary is a central source of information and advice to the Board and the Board Committees on issues relating to compliance with company laws, rules, procedures and regulations relating thereto affecting the Group.
- (d) The Company Secretary should advise Directors of their obligations to adhere to matters relating to, among others:
 - (i) disclosure of interest in securities;
 - (ii) disclosure of any conflict of interest in a transaction involving the Company;
 - (iii) prohibition on dealing in securities; and
 - (iv) restriction on disclosure of price-sensitive information.
- (e) The Company Secretary must keep abreast of, and inform and advise, the Board of current governance best practices, also to monitor corporate governance developments and assist the Board in adopting good governance practices to meet the Board's needs and stakeholders' expectation.
- (f) The Board members have unlimited access to the professional advice and services of the Company Secretary.

11. CONFLICT OF INTERESTS

As a general principle each Director must bring an enquiring, open and independent mind to Board meetings, listen to the debate on each issue raised, consider the arguments for and against each motion and reach a decision that he or she believes, to be in the best interest of the Group as a whole irrespective of any actual or possible conflict of interest situation.

- (a) Directors must:
 - (i) disclose to the Board any actual or potential conflicts of interest situation (direct or indirect) which may exist or be thought to exist as soon as they become aware of the issue;

- (ii) take any necessary and reasonable measures to try to resolve the conflict; and
- (iii) comply with the provisions of the Act on disclosing interests and restrictions on voting.

If a conflict or potential conflict situation exists, it is required that the interested Director(s) shall be absent from the meeting whilst the Board discusses the matter and not vote on the matter, unless the other Directors who do not have a material personal interest in the matter have passed a resolution state that that those Directors are satisfied that the interest should not disqualify the Director from being present. Details of the disclosure must be recorded in the minutes of the meeting at which the disclosure is made or the meeting held following the disclosure.

- (b) Directors are expected to advise the Company Secretary of any proposed Board or executive appointment to other companies as soon as practicable.

12. APPLICATION

- (a) The principles set out in this Board Charter is applied in practice having regard to their spirit and general principles rather than to the letter alone.
- (b) Kept under review and update as and when necessary or as practices on corporate governance develop and further guidelines on corporate governance are issued by the relevant regulatory authorities.
- (c) The Board will review this Board Charter from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices.

13. PUBLISHED AT THE WEBSITE

The Board Charter will be made available on the Company's website.

14. REVIEW OF THE BOARD CHARTER

Any amendments to this Board Charter shall be approved by the Board and shall be reviewed annually and as and when required in accordance with the needs of the Group and based on any new regulations that may have an impact on the discharge of the Board's responsibilities.

This Board Charter was approved by the Board via a Directors' Circular Resolution dated [date].