



## **OVERVIEW**

The Board of Directors (“**Board**”) of Sik Cheong Berhad (“**Sik Cheong**” or the “**Company**”) is fully committed towards ensuring good corporate governance practices are implemented and maintained throughout the Company and its subsidiaries (the “**Group**”) as a fundamental part of discharging its duties to enhance shareholder value consistent with the principles and best practices set out in the Malaysian Code on Corporate Governance (the “**Code**”). The Board supports the highest standards of corporate governance and the development of best practices for the Group.

This Board Charter sets out the composition and balance, roles and responsibilities, operation and processes of the Board and ensures that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members.

### **1. OBJECTIVES OF THE BOARD**

The role of the Board is to promote and protect the interests of the Group (i.e. the shareholders and stakeholders of each member of the Group). The Board shoulders the ultimate responsibility of determining the direction of the Group, thereby ensuring the long-term success of the Group and the delivery of sustainable value to its stakeholders. The Board provides thought leadership and advice in fine-tuning corporate strategies, championing good governance and ethical practices and ensures the effective execution of these strategies.

### **2. COMPOSITION AND BALANCE OF THE BOARD**

#### **2.1 Size and Composition**

The Group is led by an effective and experienced Board comprising members who have diverse background, experience and perspective in general business and financial aspects as well as in the technical and operational aspects to enable them to discharge their duties and responsibilities effectively.

The presence of Independent Non-Executive Directors on the Board and in meetings ensures that decisions made by the Board remain objective and independent and that the interests of minority shareholders are addressed and accorded with due consideration.

The Constitution of the Company provides for a minimum of two (2) Directors. At any one time, at least two (2) or 1/3 of the Board, whichever is higher, are Independent Non-Executive Directors. Additionally, there must be at least one (1) female Director. The Board is supportive of the gender boardroom diversity recommended by the Code and endeavours to maintain 30% women Directors on the Board.

The composition and size of the Board are subject to periodic reviews to ensure that they remain appropriate for the Company’s needs.

#### **2.2 Nomination and Appointments**

The members of the Board are appointed in a formal and transparent practice as endorsed by the Code. The Nomination Committee will make recommendations to the Board who will then go through the list of candidates identified and arrive at a decision on the appointment of the Director. The Company Secretary will then ensure that all appointments are properly made and that all legal and regulatory obligations are complied with.

Appointment of Directors is based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The Board does not solely rely on recommendations from existing Board members, management or major shareholders for identifying candidates for appointment of Directors. The Board may utilise independent sources to identify a qualified candidate.



No person shall be appointed, re-appointed, elected or re-elected as a Director on the Board or continue to serve as a Director if the person is or becomes an active politician. A person is considered an “active politician” if he is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.

Directors shall devote sufficient time to carry out their responsibilities. The Board shall obtain this commitment from its members at the time of appointment. Each Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board or Committees.

All Board members shall notify the Chairman of the Board before accepting any new Directorship in other companies. The notification shall include an indication of the time that will be spent on the new appointment. The Chairman shall also notify the Board if he has any new Directorship or significant commitments outside the Company. The Directors shall not hold more than five (5) directorships in listed issuers.

### **2.3 Re-election**

Re-election of Directors shall take place each year at the annual general meeting of the Company (“**AGM**”). In accordance with the Company’s Constitution, all Directors appointed are subject to re-election by the shareholders at the AGM following their appointment. At least 1/3 of the Directors, or if their number is not three (3) or a multiple of three (3), then the number nearest to 1/3 are required to retire from office at the conclusion of the AGM every year provided always that all Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election. Any new Director appointed during the year shall hold office until the next AGM and shall be eligible for re-election.

### **2.4 Independence**

The presence of Independent Non-Executive Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remains objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.

### **2.5 Tenure of Independent Director**

The tenure of an Independent Director shall not exceed a cumulative term of 12 years. However, upon completion of his/her 9-year tenure, the Independent Director may continue to serve the Board subject to the Director’s re-designation as a Non-Independent Director. If the Director is to remain designated as an Independent Director, the Board shall first justify and obtain shareholders’ approval on a year-to-year basis through a two-tier voting process in accordance with the Code.

The decision for the resolution to retain the Independent Director after his or her 9th cumulative year is determined based on the vote of Tier 1 and a simple majority of Tier 2. If there is more than one Large Shareholder, a simple majority of votes determine the outcome of the Tier 1 vote. The said resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution. However, the resolution is deemed to be defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.

An Independent Director who has served for a cumulative term of more than 12 years must resign or be re-designated as a Non-Independent Director. The Board through the Nomination Committee will assess the independence of the Independent Directors annually.



## **2.6 Evaluation of the performance of the Directors, the Board as a whole and its Committees**

The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Committees. The Nomination Committee is responsible to review and evaluate the individual Director's performance and the effectiveness of the Board and the Board's Committees on an annual basis. In assessing the suitability of candidates, consideration will be given to the competencies, commitment, contribution and performance.

The Nomination Committee is required to report annually to the Board an evaluation of the Board's and its committees' performance. This will be discussed with the full Board. Every year, the Nomination Committee will evaluate each individual Director's contributions to the effectiveness of the Board and the relevant Board committees.

The engagement of external consultants or experts to assist in matters for the Board's evaluation shall be at the discretion of the Board.

## **3. AUTHORITIES OF THE BOARD**

The Board is authorised to do the following at the expense of the Group:

- i. provided with resources whenever necessary in order to perform its duties;
- ii. have direct access to the senior management team and the external auditors;
- iii. have direct communication channels and access to the Company Secretary, and full and unrestricted access to information, records, properties and personnel of the Group in performing their duties;
- iv. obtain external, legal or independent professional advice or other advice, as deemed necessary;
- v. convene meetings with the external auditors without the attendance of any executive and where appropriate, the Company Secretary as deemed necessary;
- vi. have immediate access to reports on fraud or irregularities from the Finance / Internal Audit / Risk Management functions of the Group; and
- vii. authorise investigations into fraud, illegal acts or suspected violations of the Group's policies involving the Directors or senior management.

## **4. ROLES AND RESPONSIBILITIES**

### **4.1 Board Responsibilities**

The Managing Director and Executive Director of the Company together with the management have the responsibility to manage the day-to-day operations of the business, implementation of Board policies and making strategic decisions for the expansion of the business. The Non-Executive Directors contribute their expertise and experiences to give independent judgment to the Board on issues of strategy, performance and resources, including major policies, key directions and standards of conduct.

The stewardship responsibilities and duties of the Board focus principally on strategies, financial performance and critical business decisions that may include the following: -

- i. Overseeing and evaluating the conduct and sustainability of the businesses of the Group;



- ii. Reviewing and adopting the overall strategic direction, business plans, and annual budgets of the Group, including major capital commitments and ensuring that such strategic plans support long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- iii. Establishing key performance indicators and succession plans;
- iv. Reviewing and approving new ventures, major acquisitions and disposal of undertakings and properties;
- v. Identifying and understanding the principal risks of the Company's business and ensuring the implementation of appropriate internal control systems and mitigation measures to manage these risks;
- vi. Reviewing the adequacy and integrity of the Group's internal control systems and management information systems;
- vii. Overseeing the development and implementation of the shareholder communications policy for the Company;
- viii. Ensuring the Group's core values, vision and mission and shareholders' interests are met;
- ix. Ensuring all significant systems and procedures are in place for the Group to run effectively, efficiently and meet all legal and contractual requirements;
- x. Ensuring that the Group has appropriate corporate governance in place including standards of ethical behaviour and promoting a culture of corporate responsibility;
- xi. Supervise and assess the performance of the senior management to determine whether the business is being properly managed and ensure that appropriate measures are in place against which the senior management's performance can be assessed;
- xii. To review, challenge and decide on management's proposals for the Group and to monitor its implementation by management;
- xiii. Monitor compliance with established policies and procedures;
- xiv. Comply with environment, safety and health legislation by understanding the operations being carried out by employees and the hazards and risks associated with such operations;
- xv. Ensure the senior management has the necessary skills and experience and there are measures in place to provide for the orderly succession of Board and senior management; and
- xvi. To ensure the integrity of the Company's financial and non-financial reporting.

The Directors are required to declare their direct and indirect interests in the Company and related companies. The Directors are also responsible to declare whether they and/or any person(s) connected to them have any potential conflict of interest in any transaction and/or in any contract with the Company and/or any of its related companies. Any Director who has an interest in any related party transaction shall abstain from the Board deliberation and voting and shall ensure that he or she and the person(s) connected to him or her will abstain from voting on the related resolution.



## **4.2 Accountability and Audit**

### **i. Financial Reporting**

The Board has overall responsibility for the quality and completeness of the financial statements of the Company and the Group, both on a quarterly and full year basis, and has a duty to ensure that those financial statements are prepared based on appropriate and consistently applied accounting policies, supported by reasonably prudent judgment and estimates and in accordance to the applicable financial reporting standards.

The Audit and Risk Management Committee plays a crucial role in assisting the Board to scrutinise the information for disclosure to shareholders to ensure material accuracy, adequacy and timeliness.

### **ii. Internal Control and Risk Management**

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets, and for reviewing the adequacy and integrity of the system. The system of internal control covers not only financial controls but operational and compliance controls and risk management.

Risk management is an integral part of the Group's business operations and it is subject to periodic reviews by the Board. The Group adopted a structured risk management framework with discussions involving different levels of management to identify and address risks faced by the Group.

Management is responsible for implementing the processes for identifying, evaluating, monitoring and reporting risks and internal control, taking appropriate and timely corrective actions as needed and for providing assurance to the Board that the processes have been carried out.

The Audit and Risk Management Committee has been entrusted by the Board to ensure the effectiveness of the Group's internal control systems. The activities of the outsourced Internal Auditors are reported regularly to the Audit and Risk Management Committee which provides the Board with the required assurance in relation to the adequacy and integrity of the Group's system of internal controls.

The Board recognises that identification, evaluation and management of significant risks faced by the Company are an ongoing process. The improvement of the system of internal controls is an on-going process and the Board maintains on-going commitment to strengthening the Company's control environment and processes.

The Company outsourced its internal audit function to an independent professional firm to help the Company to accomplish its goals by bringing an objective and disciplined approach to evaluate and improve the effectiveness of risk management, internal control, anti-corruption, whistleblowing and governance processes.

### **iii. Relationship with Auditors**

The Group has established a transparent and appropriate relationship with both the outsourced Internal Auditors and the External Auditors. Such relationship allows the Group to seek professional advice on matters relating to compliance and corporate governance. The internal audit function of the Group is outsourced to a third party. Similar to the External Auditors, Internal Auditors also have direct reporting access to the Board and the Audit and Risk Management Committee to ensure that issues highlighted are addressed independently, objectively and impartially without any undue influence of the management.



#### **4.3 Responsibilities of the Chairman and the Managing Director**

There is a clear division of responsibility between the Chairman and the Managing Director in order to provide for a balance of power and authority. The former leads the management of the Company and has overall responsibility for the operating units and the implementation of the Board's policies and decisions, whilst the latter is responsible for the orderly conduct and effectiveness of the Board in addition to facilitate constructive deliberation of matters in hand.

The responsibilities of the Chairman are, amongst others, as follows:

- i. To provide leadership to the Board;
- ii. To oversee the effective discharge of the Board's supervisory role;
- iii. To facilitate the effective contribution of all Directors;
- iv. To set the Board agendas and ensure the provision of complete, accurate, timely and clear information to the Directors;
- v. To lead the Board's function, meetings and discussions;
- vi. To brief all the Directors in relation to issues arising at meetings and encouraging active participation and allow dissenting views to be freely expressed;
- vii. To ensure that quality information to facilitate decision-making is delivered to the Board in a timely manner;
- viii. To ensure Board meetings and general meetings comply with good conduct and best practices;
- ix. To lead the Board in the adoption and implementation of good corporate governance practices in the Group;
- x. To promote constructive and respectful relations between Board members and between the Board and the management;
- xi. To conduct and chair Board meetings and general meetings of the Company;
- xii. To ensure the general meetings support meaningful engagement between the Board, senior management and shareholders;
- xiii. To brief all the Directors concerning issues arising at Board meetings;
- xiv. To ensure that appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole; and
- xv. Together with the Managing Director/Executive Director, represents the Company and/or Group to external groups such as shareholders, creditors, consumer groups, local communities as well as federal, state and local governments.

The responsibilities of the Managing Director, amongst others, are as follows:

- i. To develop and recommend to the Board, the strategic business direction, plans and policies of the Group that leads to the creation of shareholder value;
- ii. To develop and recommend to the Board the operational plan and annual budget that supports the Company or the Group's long-term strategy;
- iii. To ensure the efficiency and effectiveness of the Group's operations;



- iv. To ensure management of day-to-day business affairs, continuous improvement and development, implementation and achievement of corporate policies and strategies sanctioned by the Board;
- v. To ensure that the Company has an effective management team and structure, management development program and succession plans;
- vi. To manage the overall business and oversee the day-to-day management of the Group with all powers, discretions and delegations authorised, from time to time, by the Board;
- vii. To assess business opportunities that are of potential benefit to the Group;
- viii. To report to the Board on key performance indicators in relation to the financial results, market conditions and other developments;
- ix. To keep the Board fully informed of all important aspects of the Group's operations and ensure information is distributed to the Board members;
- x. To ensure compliance with governmental procedures and regulations;
- xi. To ensure that effective internal controls and governance measures are deployed;
- xii. To develop and maintain effective relations with significant external agencies such as regulatory bodies, government agencies, investing public and other trade associations and institutions;
- xiii. To ensure that the Group maintains high social responsibility wherever it does business;
- xiv. To drive strategic management of material sustainability matters; and
- xv. To assess the principal risks of the Group and ensuring that these risks are being monitored and managed.

#### **4.4 Role of Non-Executive Directors**

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

- i. To advise and direct the management in the development and evaluation of the strategy of the Group;
- ii. To oversee the performance of the management in meeting the agreed goals and objectives;
- iii. To satisfy themselves that the financial performance presented is accurate; and
- iv. To review the risk management and internal control systems to ensure that they are robust and defensible.

#### **4.5 Role of Independent Directors**

The Independent Directors are independent from Management and have no relationships that could interfere with the exercise of their independent judgement. They play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies and in the decision-making process. The responsibilities include the followings:-





- i. To ensure there is a proper check and balance on the Board by providing unbiased and independent views in Board deliberations and decision making of the Board, taking into consideration the interest of all shareholders, not only the interests of a particular function or group, but also the interest of minority shareholders, stakeholders and the general public
- ii. To improve corporate credibility and governance standards, functioning as a watchdog, and make contributions to the Company's decision making by bringing in the quality of detached impartiality
- iii. To make independent assessment of information, reports or statement when the interests of Management, Company and/or shareholders diverge, such as executive performance and remuneration, related party transactions and audit matters
- iv. To enhance the independence and objectivity of the Board's deliberation from the executive arms
- v. To mitigate any possible conflict of interests between the policy-making and the day-to-day management
- vi. To constructively challenge and contribute to the development of strategies of the Group
- vii. To ensure that the Board uses adequate systems and controls to safeguard the interest of the Company.

Subject to compliance of Section 2.5 above, the Company may appoint a Senior Independent Non-Executive Director whose role shall include the following:

- i. serves as a sounding board to the Chairman;
- ii. serves as an intermediary for other Directors when necessary;
- iii. leads the performance evaluation of the Chairman;
- iv. fosters objectivity in instances whereby the Chairman and the Managing Director are related;
- v. acts as point of contact for shareholders and other stakeholders particularly on concerns which cannot be resolved through the normal channels of the Chairman and/or the Managing Director;
- vi. leads the succession planning and appointment of Board members, including the future Chairman and the Managing Director; and
- vii. leads the annual review of Board effectiveness, ensuring that the performance of each individual Director is assessed objectively and holistically.

#### **4.6 Board Committees**

The Board may from time to time establish Committees as is considered appropriate to assist in carrying out its duties and responsibilities. The Board delegates certain functions to the following Committees to assist in the execution of its responsibilities:-

- i. Audit and Risk Management Committee;
- ii. Nomination Committee; and
- iii. Remuneration Committee





The Committees shall operate under clearly defined terms of reference. The Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their terms of reference.

#### **4.7 Company Secretary**

The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.

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, including providing sound governance advice, ensuring adherence to rules and procedures, and advocating the adoption of corporate governance best practices. These may include knowledge in company and securities law, governance, company secretaryship and other areas of compliance such as the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”). The Company Secretary should undertake continuous professional development.

The roles and responsibilities of a Company Secretary include, but are not limited to the following:

- i. Attend and record minutes of all board and committee meetings and facilitate board communications
- ii. Advise the Board on its roles and responsibilities
- iii. Assist in director training and development
- iv. Advise the Board on corporate disclosures and compliance with the Companies Act 2016 and Listing Requirements
- v. Manage processes pertaining to the shareholder meetings
- vi. Monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations.

All Board Members, particularly the Chairman, have unrestricted access to the advice and services of the Company Secretary concerning the affairs and the business of the Board.

## **5. BOARD PROCESSES**

### **5.1 Board Meetings**

The Board meets at least four (4) times a year, with additional meetings to be convened whenever necessary. The Directors receive notices of meetings, typically at least five (5) working days prior to the date of the meeting, setting out the agenda for the meetings, complete with a full set of Board Papers except in the case of an emergency, where reasonable notice of meeting shall be given to the Directors. The Board Papers provide sufficient details of matters to be deliberated during the meeting, and the information provided therein is not confined to financial data but includes also non-financial information, both quantitative and qualitative, which are deemed critical for the Directors' knowledge and information in arriving at a sound and informed decision. The quorum for a Board meeting shall be a minimum of two (2) Directors present in person. In the absence of the Board Chairman, the members present shall elect a chairman from amongst them to chair the meeting. A meeting shall normally be conducted face-to-face to enable effective discussion. However, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the Board and participation in a meeting via such means shall constitute presence in person. Where



necessary, management and/or external professionals may be invited to attend these meetings to clarify and/or explain matters being tabled.

The Board may from time to time and if deemed appropriate, consider and approve and/or recommend relevant matters via a resolution in writing, in lieu of formally convening a meeting. A written resolution in writing signed or approved by a majority of the Directors entitled to vote and sign on the resolution, if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Director shall be as valid and effectual as if it were a resolution duly passed at a Board meeting. Any such resolution may consist of several documents in like form, each signed by one (1) or more Directors.

The minutes of the meeting shall be action oriented and record the deliberations and decisions of the Board. The minutes shall include compiled Board instructions as matters arising for discussion at each Board meeting to ensure proper follow through. Minutes shall be distributed to the Directors and shall be approved by the chairman of the meeting at which the proceedings are held or by the chairman of the next succeeding meeting. Minutes of Board meetings together with decisions made by way of a resolution passed are duly recorded and properly kept by the Company Secretary.

The secretary to the Board shall be the Company Secretary or Assistant Company Secretary or a person approved by the Board.

All Directors must meet the minimum 50% attendance requirement imposed under the Listing Requirements.

## **5.2 Voting**

All resolutions of the Board shall be adopted by a simple majority vote, each Director having one (1) vote. In the case of an equality of votes, where two (2) Directors form a quorum, the chairman of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue, shall not have a casting vote. Otherwise in the case of an equality of votes, the chairman has a second or casting vote.

Every Director is required to inform the Board and/or Audit and Risk Management Committee of conflicts or potential conflict of interest that they may have in relation to a particular subject matter or business and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation. These Directors shall abstain from deliberation and voting on those matters.

## **5.3 Directors' Training**

The Directors shall ensure attendance with all the relevant seminars and training programmes as may be prescribed by Bursa Securities to equip themselves with the knowledge to effectively discharge their duties as Directors. In addition, individual directors are responsible for determining their continuous training needs to keep abreast of changes in both the regulatory and business environments as well as with new developments within the industry in which the Group operates.

The Board will assess the training needs of the Directors and ensure Directors have access to continuing education programmes. The Board shall disclose in the Annual Report the training attended by the Directors and shall include the following details on the training:

- i. the Board has undertaken an assessment of the training needs of each Director;
- ii. a brief description on the type of training that the Directors have attended for the financial year; and
- iii. in exceptional circumstances where any Director has not attended any training during the financial year, valid justifications for the non-attendance of such Director.



#### **5.4 Directors' Remuneration**

The Board through the Remuneration Committee establishes formal and transparent remuneration policies and procedures to attract and retain Directors. The Remuneration Committee has written Terms of Reference which detail its authority and duties and the Terms of Reference are published on the Company's website.

The Directors' remuneration is structured to link rewards to their corporate and individual performance. The Board recognises that levels of remuneration must be sufficient to attract, retain and motivate the Directors of the quality and calibre required to manage the business of the Company and to align the interests of the Directors with those of the shareholders.

The Board will determine the level of remuneration of Board Members, taking into consideration the recommendations of the Remuneration Committee for the Executive Board Members.

The Non-Executive Directors will be paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in committees and the Board, their attendance, and/or the special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover.

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

The Remuneration Policy sets out the remuneration for the Board and the Remuneration Committee to determine the remuneration of Directors and/or senior management of the Company which takes into account the demands, complexities, and performance of the Company as well as skills and experience required. The Remuneration Policy will be periodically reviewed by the Board and is published on the Company's website.

#### **5.5 Access to Information and Independent Advice**

The Directors shall have unrestricted access to information from the management, the Company Secretary, the outsourced Internal Auditors as well as the External Auditors of the Group in furtherance of their duties. If the need arises, they are free to obtain independent professional advice at the Company's expense. This is for advice deemed relevant and necessary in order for the Directors to discharge their duties for the overall benefit of the Group.

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

#### **5.6 Investor Relations and Shareholder Communication**

The Board values the importance of the dissemination of information on major developments of the Group to the shareholders, potential investors and the general public in a timely and equitable manner. Quarterly results, announcements, annual reports and circulars serve as primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and development. The Company's corporate website serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news and events relating to the Group.

The Board will ensure that the general meetings of the Company are conducted in an efficient manner and serve as a mode of shareholders' communication. These include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the general meetings.



The AGM remains a principal forum used by the Group for communication with its shareholders. During the AGM, shareholders are accorded time and opportunity to query the Board on the resolutions being proposed and also matters relating to the performance, developments within and the future direction of the Group. Shareholders are also invited to convey and share their inputs with the Board. Where applicable, the Board will also ensure that each item of special business that is included in the notice of meeting is accompanied by a full written explanation of that resolution and its effects to facilitate its understanding and evaluation. The notices convening an AGM shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least 28 days before the meeting. At least 28 days' notice of such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper. The notice period of AGM shall exclude the date of issuing the notice and the date of the AGM.

The Board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) supports meaningful engagement between the Board, senior management, and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting, and interactive participation by shareholders. This provides the opportunity for shareholders to have real-time interaction with the Board and senior Management including responses to any questions or remarks posted.

To enhance the effectiveness of the general meeting, the Board will ensure the following best practices are met:-

- i. Pursuant to Practice 13.1 of the Code, notice for an AGM will be given to shareholders at least 28 days prior to the meeting.
- ii. All Directors to attend the general meeting.
- iii. Ensure the Chairman provides reasonable time for discussion at the general meeting.
- iv. Ensure that the general meeting support meaningful engagement between the Board, senior management and shareholders.
- v. Ensure that all resolutions set out in the notice of general meeting are voted by poll;
- vi. Ensure at least one (1) scrutineer is appointed to validate the votes cast at the general meeting.
- vii. Leverage technology to facilitate voting including voting in absentia and remote shareholders' participation at general meeting and to take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.
- viii. Ensure that there is a channel of communication for feedback and queries from shareholders.
- ix. Ensure minutes of the general meeting are circulated to shareholders or uploaded onto the Company's website no later than thirty (30) business days after the general meeting.

## **6. CONFIDENTIALITY AND DISCLOSURES OF INTEREST**

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

All information and documentation received by the Board from the Group shall be treated as confidential, unless otherwise expressly decided by the Board. All Board members are responsible for ensuring that any material received is properly protected and remains confidential.

A Director should disclose to the Board and/or the Audit and Risk Management Committee:-

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



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

#### **7. ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

The Anti-Bribery and Anti-Corruption Policy applies to all employees (whether temporary, contractual, or permanent), Directors, and Business Associates of the Group. They are expected to carry out their duties with the utmost integrity, grounded on sound moral and ethical principles.

The Board will review the Anti-Bribery and Anti-Corruption Policy periodically to ensure its effectiveness and consistency with the governing legislation and regulatory requirements. This Policy is published on the Company's website.

#### **8. WHISTLEBLOWING POLICY**

The Whistleblowing Policy serves to provide an avenue for all employees of the Group and members of the public to raise concerns or disclose any improper conduct within the Group and to take appropriate action to resolve them effectively.

The Board will review the Whistleblowing Policy periodically and it is published on the Company's website.

#### **9. CODE OF ETHICS AND CONDUCT**

All Directors and employees of the Group in exercising and/or discharging their powers or duties shall comply with all the applicable laws, rules and regulations including the constitution of the Group. The core areas of conduct include the following:-

- i. Adherence to the Code of Ethics and Conduct at all times.
- ii. Maintenance of high standards of business, professional, and ethical conduct, refraining from accepting gifts or other forms of benefits that may reasonably influence the performance of their duties.
- iii. Adherence to the principles of selflessness, integrity, objectivity, accountability, openness, honesty, and leadership, including the ethical handling of conflicts of interest.
- iv. Prohibition of the use of information gained in the course of duties for personal gain or political purposes.
- v. Upholding accountability, acting in good faith, and serving the best interests of the Group's corporate opportunities, assets, and confidential information.
- vi. Ensuring the protection of the Group's legitimate business interests, including corporate opportunities, assets, and confidential information.
- vii. Providing full, fair, accurate, timely, and understandable disclosure.
- viii. Declaration of any personal, professional, or business interests that may conflict with responsibilities.

In the event of any violation of this Code of Ethics and Conduct by any Director or employee of the Group, the Board shall determine the appropriate action to be taken after considering all relevant information and circumstances.



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

**10. DIRECTORS' FIT AND PROPER POLICY**

The Board must have a fit and proper policy for the appointment and re-election of Directors of the Group to ensure that each of its Directors has the character, experience, integrity, relevant range of skills, knowledge, experience, competence, time commitment to effectively discharge his/her role as a Director of the Company with the highest integrity and professionalism as well as to act effectively, honestly and in the best interest of the Group.

The Board, as assisted by the Nomination Committee, is responsible for conducting assessments on the fit and properness of the Directors and to make the necessary decision on the re-election/appointment.

The Directors' Fit and Proper Policy is published on the Company's website.

**11. REVIEW OF THE BOARD CHARTER**

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, responsibilities, current law and practices. The Board Charter is made available for reference on the Company's website.

This Board Charter (Version No. 1) was reviewed and adopted by the Board on 28 December 2023.