



ASM AUTOMATION GROUP BERHAD
[Registration No. 202401033717 (1579565-M)]

BOARD CHARTER

Adopted by Board on:
Updated and adopted by Board on:

1. OVERVIEW

- 1.1. The Board of Directors ("**Board**") of ASM Automation Group Berhad ("**the Company**" or "**ASM**") commits itself to inculcating good corporate governance practices in the Company and its subsidiaries ("**the Group**") in accordance with the practices and guidance set out in the Malaysian Code on Corporate Governance ("**MCCG**"). The Board believes that corporate governance is extremely important to the long-term success of the Group's business. The Board holds a fiduciary duty in ensuring effective governance and management of the Company, as well as the financial and organisational health of the Group.
- 1.2. The Board is primarily responsible for:
- (a) ensuring that the Group has an appropriate corporate governance structure aimed at creating and protecting shareholders' interests;
 - (b) promoting the Group's values and standards;
 - (c) setting the Group's strategic aims to ensure that necessary resources are in place for the Group to meet its purposes and review its management's performance and affairs of the Group; and
 - (d) assuring the Group's commitments to its shareholders and other stakeholders are understood and met.
- 1.3. This Board Charter sets out the following:
- (a) Core values, guidance and principles for the Board and Management regarding the roles and responsibilities of the Board and Board Committees in discharging of their duties for the benefit of the Company and its stakeholders; and
 - (b) Composition of the Board and Board Committees, their roles and responsibilities, delegation of authority, general conduct of the Board, board leadership, assessment, and other related matters.
- 1.4. This Board Charter is subject to the provision of the Companies Act 2016 ("**the Act**"), the Company's Constitution, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"), the principles and recommendations prescribed by the MCCG and any other applicable laws or regulatory requirements.
- 1.5. In the event of a conflict between the Constitution and this Board Charter, the provisions of the former shall have precedence subject to compliance with the legislation and regulatory requirements.

2. BOARD STRUCTURE

2.1 Composition of Board

- 2.1.1 The Constitution of the Company stipulates that, until otherwise determined by the Company in general meeting, the number of Directors (disregarding Alternate Directors) shall be a minimum of two (2) and a maximum of fifteen (15).

2.1.2 The composition of the Board shall at all times comprise:

- (a) at least two (2) Directors or one third (1/3) of the Board, whichever is higher, shall be Independent Non-Executive Directors as defined in the Listing Requirements. If the number of Directors is not three (3) or multiple of three (3), then the number nearest to one-third (1/3) shall be used; and

(In the event of any vacancy in the Board resulting in non-compliance with Rule 15.02(3) of Listing Requirements, the vacancy must be filled within three (3) months of the event.)

- (b) the Chairperson of the Board shall be an Independent Non-Executive Director who is a Malaysian citizen.

2.1.3 The Board must consist of qualified individuals with diverse set of skills, knowledge, expertise, experience, background, gender and perspective to safeguard that there is sufficient diversity and independence in facilitating the discussion, review and decision making in order to discharge their duties and responsibilities effectively.

2.1.4 Pursuant to Rule 15.06(1) of the Listing Requirements, a Director must not hold more than five (5) directorships in listed issuers on Bursa Securities.

2.1.5 The Board is supportive of gender boardroom diversity and will strive to achieve and maintain at least 30% women directors on the Board. In its selection of Board members, the Board provides equal opportunity to all candidates who meet the criteria and other qualities relevant to the Group's current business portfolios and prospective investments.

2.2 Nomination, Appointment and/or Re-election of Directors

2.2.1 The Board should be of a size and composition that is conducive to making decisions, with the benefit of a variety of perspectives and skills, and in the best interest of the Group as a whole rather than of individual shareholders or other stakeholders.

2.2.2 The appointment of a new Director and/or re-election of Director are the matter for consideration and approval by the Board, upon recommendation from the Nomination Committee.

2.2.3 In making its recommendation, the Nomination Committee shall be guided by its Terms of Reference and Directors' Fit and Proper Policy. Procedures for appointment to the Board and re-election of Directors should be transparent and the assessment of potential new Director(s) or retiring Director(s), shall consider the character, competence, experience, integrity and time commitment, including the following factors:-

- age and gender diversity;
- skills, knowledge, expertise, and wide range of background;
- professionalism;
- commitment;
- contribution and performance;
- high ethical standards and sound practical sense; and
- integrity in personal and business dealings.

No person shall be appointed, re-appointed, elected or re-elected as a Director of 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/she is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council or division level in a political party.

- 2.2.4 New Directors are expected to possess necessary expertise to make positive contribution to the Board's performance of its duties. In addition, new Directors are required to commit sufficient time to attend the Company's meetings or matters before accepting his/her appointment to the Board.
- 2.2.5 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 suitable and qualified candidates.

2.3 Tenure of Directors

- 2.3.1 Pursuant to the Constitution of the Company, an election of Directors shall take place each year. At the first Annual General Meeting ("**AGM**") of the Company, all the Directors shall retire from office and at the AGM in every subsequent year, 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 provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.
- 2.3.2 The Director to retire in every year shall be the Directors who have been longest in office since their last election. As between persons who became Directors or were last re-elected as Directors on the same day, the Directors to retire shall be determined by age, unless they otherwise agreed among themselves.
- 2.3.3 The tenure of an Independent Director shall not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director, may continue to serve on the Board and re-designated as a Non-Independent Director.
- If the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process in accordance with the best practice of MCGG.
- 2.3.4 The Board shall undertake an annual assessment of its Independent Directors, looking beyond their background, economic and family relationships and considering whether the Independent Directors can continue to bring independent and objective judgment to the board deliberations.
- 2.3.5 Pursuant to Rule 15.05 of the Listing Requirements, a candidate shall not be considered fit for directorship if he or she:-
- (a) has been convicted by a court of law of an offence in connection with the promotion, formation or management of a corporation;
 - (b) has been convicted by a court of law of an offence involving bribery, fraud or dishonesty or where the conviction involved a finding that he acted fraudulently or dishonestly; or
 - (c) has been convicted by a court of law of an offence under the securities laws of Malaysia or the Act, within a period of five (5) years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.

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

- (a) falls within the circumstances set out in Section 208 of the Act, where the Director:-
 - (i) resigns from office as Director by giving a written notice to the Company at its registered office;
 - (ii) has retired in accordance with the Act or the Constitution of the Company but is not re-elected;
 - (iii) is removed from office in accordance with the Act or the Constitution of the Company;
 - (iv) becomes disqualified from being a Director under Sections 198 or 199 of the Act;
 - (v) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001; or
 - (vi) dies;
- (b) absent from more than 50% of the total Board meetings held during the financial year unless approval is sought and obtained from Bursa Securities;
- (c) convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences listed in Clause 2.3.5 above; or
- (d) otherwise vacates office in accordance with the Constitution of the Company.

2.3.7 The tenure of the Executive Director is tied to their executive office.

3. RESPONSIBILITIES AND DUTIES

3.1 The Board

3.1.1 The Board is overall responsibility for the long-term success of the Group and delivery of sustainable value to its stakeholders, setting the strategic direction of the Company and monitoring the implementation of that strategy by the management.

The Board must act with integrity, lead by example, keep abreast of his/her responsibilities as a Director and of the conduct, business activities and development of the Company and ensure that the Group adheres to high standard of ethics and corporate behaviour.

3.1.2 The Board is explicitly responsible for the stewardship of the Company and assumes, amongst others, the following duties and responsibilities: -

- (a) to provide leadership and oversee the overall conduct of the Group's business, supervise and assess the management's performance to ensure the business is being properly managed;
- (b) to review and adopt a strategic plan for the Group that supports long-term value creation which includes economic, social and environmental as well as governance considerations underpinning sustainability of the Group;

ASM AUTOMATION GROUP BERHAD

[Registration No. 202401033717 (1579565-M)]

- Board Charter

- (c) to review the adequacy and effectiveness of risk management and internal control systems and framework to safeguard the Group's reputation, employees and assets as well as to ensure compliance with the applicable laws and regulations;
- (d) to set the risk appetite within which the Board expects the management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- (e) to ensure the implementation of appropriate policies on internal control and mitigation measures to achieve a proper balance between risks incurred and potential returns to the shareholders;
- (f) to approve major investment/acquisitions/divestitures which are capital in nature;
- (g) to ensure that the Company has effective Board Committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the MCCG;
- (h) to appoint Board Committees and delegate powers to such Board Committees, to review the composition, performance and effectiveness of Board Committees, as well as the reports prepared by Board Committees and deliberate on the recommendations thereon;
- (i) to review and approve the Company's annual business plan and operating budget, financial statements, quarterly results, annual report and corporate governance report in compliance with the MCCG;
- (j) to undertake a formal and objective annual evaluation to review and assess the effectiveness of the Board as a whole, Board Committees and each individual Director;
- (k) to ensure the Company has appropriate policies and procedures to review performance of the Directors and key senior management and to set an appropriate level of remuneration to attract and retain them;
- (l) to develop and implement an investor relations programme or shareholders' communications policy for the Group to enable effective, transparent and regular communication with its shareholders and stakeholders;
- (m) to ensure there is an orderly succession of senior management positions who are of high calibre and have the necessary skills and experience by delegating the power to Nomination Committee and Remuneration Committee to review succession plans and remuneration packages for the Company's Directors as well as the Group's policies and procedures on remuneration for the employees of the Group;
- (n) to ensure the integrity of our Group's financial and non-financial reporting;
- (o) to foster and maintain a strong ethical culture and standards within an organisation including combating corruption, bribery and money laundering practices; and
- (p) to carry out or perform such functions as deemed necessary in discharge of fiduciary duties under relevant laws and regulations.

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

- (a) Strategic issues, planning and sustainability;
- (b) Budget and performance reviews;
- (c) Quarterly financial results and audited financial statements;
- (d) Capital expenditures;
- (e) Material borrowings;
- (f) Treasury policies;
- (g) Dividend policy or declaration of dividends including solvency tests;
- (h) Material acquisitions and disposals of undertakings and properties;
- (i) Key human resources issues; and
- (j) Changes relating to the share capital.

3.1.4 In discharging his/her duties, each Director must:

- (a) exercise care and diligence;
- (b) act in good faith in the best interests of ASM;
- (c) not improperly use his/her position or misuse information of ASM; and
- (d) commit the time necessary to discharge effectively his/her role as a Director.

3.1.5 The Board shall define levels of materiality and put in place the Authority Limit to guide the Board and Management on applicable threshold for relevant approving authorities.

- (a) Board approval shall be required for the following:-
 - (i) Capital or operating expenditures above RM2,000,000.00;
 - (ii) Disposal or acquisition of assets above RM2,000,000.00; and
 - (iii) Opening of new bank accounts.
- (b) The Managing Director/Chief Executive Officer approval shall be required for the following:-
 - (i) Capital or operating expenditures up to RM2,000,000.00;
 - (ii) Disposal or acquisition of assets up to RM2,000,000.00; and
 - (iii) All operating expenditures incurred in the ordinary course of business and within the approved operating budget.

3.2 The Chairperson

3.2.1 The Chairperson of the Board shall be:

- (a) an Independent Non-Executive Director who is a Malaysian citizen;
- (b) not to exercise the role of Managing Director of the Company and the Group;
- (c) not previously held the position of Managing Director/Chief Executive Officer of the Company; and
- (d) not a member of Audit and Risk Management Committee, Remuneration Committee and Nomination Committee of the Company.

3.2.2 The Chairperson shall provide leadership at Board level and represents the Board to the shareholders and other stakeholders. The Chairperson will act independently in the best interest of the Group.

3.2.3. The Chairperson is responsible for:

- (a) leadership of the Board to ensure the Board as a whole and each Director discharge their duties and responsibilities effectively;
- (b) ensuring Board effectiveness and promoting the highest standards of integrity, morality and corporate governance throughout the Group;
- (c) setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;
- (d) leading Board meetings and discussions and acting as a facilitator at Board and ensuring appropriate level of interaction among Board members;
- (e) encouraging active participation at Board meetings and allowing dissenting views to be freely expressed;
- (f) promoting constructive and respectful relations between Directors and Senior Management;
- (g) facilitating the effective contribution of all Directors;
- (h) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole; and
- (i) presiding over the Board and general meetings of the Company.

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

3.3 Managing Director (“MD”)/Chief Executive Director (“CEO”)

3.3.1 MD/CEO is the highest-ranking executive in the Company. The primary responsibilities of MD/CEO include making major corporate decisions, managing the overall management operations and resources of the Group.

3.3.2 The MD/CEO is appointed by the Board upon recommendation of the Nomination Committee.

3.3.3 The MD/CEO is accountable to the Board for, among others, the following: -

- (a) To oversee and manage the day-to-day business operations of the Group.
- (b) To develop and implement strategic business plan and corporate policies, provide effective leadership and to ensure the business objectives, strategies and policies are communicated across all levels in the Group.
- (c) To provide assistance to the Board members and Board Committees as required, in discharging their duties.
- (d) To lead the development of the Group’s operations and businesses, and to recommend short and long-term business strategies of the Group to the Board.
- (e) To represent the Group as the key spokesperson with all stakeholders including investors, regulators and business partners.

- (f) To ensure that the applicable rules and regulations for the conduct of affairs of the Board are complied with.
- (g) To manage resources within the budgets approved by the Board.
- (h) To develop an organisational structure and to establish process and system to ensure the efficient utilisation of resources.
- (i) To explore and assess all business opportunities which are potentially benefit to the Group.
- (j) To maintain high awareness of the competitive market landscape, expansion opportunities and industry developments.
- (k) To ensure that the Group maintains high social responsibility wherever it does business.
- (l) To create and implement the Company's vision and mission.
- (m) To engage in corporate governance issues.
- (n) All Board authority conferred on the Management is delegated through the MD/CEO. The MD/CEO is to subdelegate to the Senior Management. The MD/CEO is expected to act within all specific authorities delegated to him by the Board.
- (o) The MD/CEO together with the management team is expected to ensure the Company to operate with an adequate and comprehensive system of internal control that the assets or funds of the Company according to the policies and processes that are acceptable to the external auditors and internal auditors. The MD/CEO is expected to manage the risk of the Company and not to cause or permit anyone to substitute their own risk preference for those of the shareholders as a whole.
- (p) The MD/CEO is expected not to permit employees and other parties working for the Company to be subject to treatment or conditions that are undignified, unfair, inequitable or unsafe and shall always be guided by the Code of Conducts and Ethic of the Company.

3.4 Executive Director

- 3.4.1 Executive Director is employee of the Company who involved in the day-to-day of the Group.
- 3.4.2 Executive Director assists the Board in decision-making process through their technical expertise and knowledge of the business and its industry.
- 3.4.3 The key roles and responsibilities of the Executive Director include, among others, the following:-
 - (a) to oversee day-to-day operations and management within their specific areas of expertise or assigned responsibilities;
 - (b) to implement strategic plans and policies set by the Board, ensuring alignment with the Company's overall objectives and vision; and
 - (c) to assist the MD/CEO in discharging his/her duties, contributing to decision-making processes and managing overall company operations.

3.5 Non-Executive Director

- 3.5.1 Non-Executive Director is a member of the Board who is not an employee of the Company. Non-Executive Director are:-
- those who have no direct or indirect monetary interest in the Company other than their Directors' emoluments and their permitted shareholdings in the Company;
 - those who are not employees of the Company or affiliated with it in any other way and are not involved in the day-to-day running of business but may have a monetary interest in the Company, whether direct or indirect; or
 - those who are not employees of the Company but are standing as nominees for substantial shareholders.
- 3.5.2 Non-Executive Director may act as a bridge between the 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.
- 3.5.3 The responsibilities of Non-Executive Director are, amongst others, as follows:-
- (a) Advising and directing the Management in the development and evaluation of strategy to ensure alignment with long-term goals and shareholder interests;
 - (b) Scrutinising the performance of the Management in meeting agreed goals and objectives and monitoring the accuracy and transparency of performance reporting;
 - (c) Satisfying themselves that the financial information presented is accurate; and
 - (d) Reviewing and assessing the robustness and defensibility of risk management and internal control systems.

3.6 Independent Director

- 3.6.1 Independent Director means a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of an applicant or listed corporation. An Independent Director is one who –
- (a) is not an Executive Director of the Company;
 - (b) has not been within the last three (3) years and is not an officer (except as a Non-Executive Director) of the Company;
 - (c) is not a major shareholder of the Company;
 - (d) is not a family member of any Executive Director, officer or major shareholder of the Company;
 - (e) is not acting as a nominee or representative of any Executive Director or major shareholder of the Company;
 - (f) has not been engaged as an adviser by the Company 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

- (g) has not served as an Independent Director in the Company for a cumulative period of more than 12 years from the date of his/her first appointment as an Independent Director of the Company.
- 3.6.2 Family ties and cross-directorships may also be relevant in considering interests and relationships which may compromise independence and should be disclosed by the Independent Director to the Board.
- 3.6.3 The above guidelines must be applied with common sense. Directors are best able to determine if they have an interest or relationship which is likely to impact on their independence. As such, each Director is expected to advise the Chairperson immediately if he/she believes they may no longer be independent. Should the Chairperson or any other Director have any concern about the independence of a director, he/she must immediately raise the issue with that Director and, if the issue is not resolved, with the Board.
- 3.6.4 Should the Chairperson have any concern about his/her own independence, he/she must immediately raise the issue with the Board.
- 3.6.5 Each Director must immediately disclose to the Chairperson (with a copy to the Company Secretary) all information relevant for determining whether the Director is independent, including details of entities in which the Director has a material direct or indirect shareholding (or other interest), is an executive officer or is a Director.
- 3.6.6 Where the independent status of a director is lost, this is to be disclosed to the market via the Bursa in timely manner.
- 3.6.7 The roles of the Independent Non-Executive Directors are vital in bringing independent judgement and ensuring all issues proposed by the Executive Directors are fully discussed and examined to consider the long-term interests, not only of the shareholders, but also other stakeholders such as the employees and business associates.
- 3.6.8 The roles of Independent Director broadly include the following:-
 - (a) to ensure there is a proper check and balance on the Board by providing unbiased and independent views in deliberating and making decision at the Board meeting, focusing on the interests of all shareholders and stakeholders, including minority shareholders;
 - (b) to improve corporate credibility and governance standards by functioning as a watchdog, and make significant contributions to the Company's decision making with impartiality; and
 - (c) to make independent assessment of information, reports or statement when the interests of the management, the Company and/or shareholders diverge, such as on executive performance and remuneration, related party transactions and audit matters.

4. BOARD COMMITTEES

To assist the Board in fulfilling its duties and responsibilities, the Board has established the following Board Committees, each delegated with specific authority and functions under the Terms of Reference for the respective Board Committees as approved by the Board:-

(a) Audit and Risk Management Committee (“**ARMC**”)

ARMC assists the Board in regard to financial reporting, audit and risk management, including:

- (i) The integrity of the Group’s financial reporting;
- (ii) Compliance with legal and regulatory obligations;
- (iii) The effectiveness of the Group’s enterprise risk management and internal control framework; and
- (iv) Oversight of the independence of the external and internal auditors.

(b) Nomination Committee (“**NC**”)

NC assists the Board in regard to:

- (i) Board appointments, re-elections and performance;
- (ii) Diversity obligations;
- (iii) Directors’ induction programs and continuing development;
- (iv) Board Committees membership; and
- (v) Succession of the Executive Directors and Key Senior Management.

(c) Remuneration Committee (“**RC**”)

RC assists the Board in regard to:

- (i) The remuneration framework for Directors;
- (ii) Remuneration and incentive framework, including any proposed equity incentive awards for the MD, EDs and Senior Management;
- (iii) Recommendations and decisions on remuneration and incentive awards for the MD, EDs and Senior Management; and
- (iv) Strategic human resources policies.

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

The Chairperson of each Board Committee will report the proceedings of its Board Committee Meeting to the Board at the Board Meetings and table the minutes of Board Committee Meetings to the Board for notation.

5. BOARD MEETINGS

5.1 Frequency

- (a) The Board shall meet at least four (4) times on a quarterly basis in each financial year, or more frequently if necessary. The Chairperson may call for additional meetings at any time at the discretion of the Chairperson.
- (b) The Company Secretary shall prepare and distribute a timetable for the meetings to be held during the year to all Directors in advance.
- (c) The Board meetings shall not be combined with Board Committees’ meetings to enable objective and independent discussion during the meeting.

5.2 Notice and Agenda

- (a) The notice of Board Meeting, detail agenda and the supporting Board Papers should be given five (5) business days, or shorter notice where it is unavoidable, prior to each Board Meeting allowing Directors sufficient time to review the same.
- (b) Reasonable notice of every meeting shall be given in writing and served to the Directors either personally or by fax, e-mail, post or courier to his/her address in the Register of Directors or to the address provided by the Directors, except in the case of emergency, where the Board may waive such requirement.
- (c) Directors are expected to review the meeting papers in advance to facilitate meaningful deliberation during Board meeting.
- (d) The Company Secretary shall work together with the Chairperson in developing the meeting agenda. The agenda shall include, amongst other things, matters specifically reserves for the Board's decision.

5.3 Quorum

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

5.4 Chairperson

- (a) The Chairperson of the Board shall preside as chairperson at all Board meetings. In the absence of the Chairperson, the members present shall elect a Chairperson from amongst themselves to chair the Board meeting.
- (b) The Chairperson should encourage constructive and healthy debate and allows the Directors to freely express their views or share information with their peers during deliberation as a participation Board.

5.5 Attendance

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

5.6 Meeting Mode

- (a) The Directors may participate at the Board meeting physically or by means of telephone conference, video conference or any other electronic telecommunication facilities which would allow all persons participating in the meeting to communicate with each other simultaneously and instantaneously.
- (b) The physical presence of Director(s) is not compulsory. Any Directors so participating in a meeting shall be deemed to be present in person at such meeting and shall be entitled to vote or be counted in a quorum accordingly .

- (c) All resolutions agreed upon by the Directors at such a meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. All information and documents must be made equally available to all participants prior to, at or during the Board Meeting. The participation in a meeting by means of a conference telephone or similar electronic telecommunication device shall be treated with confidence, and he/she shall prevent any leakage of information/materials to any third party.
- (d) Directors are required to strictly observe the confidentiality of the Company's information and refrain from disclosing it to any third party.

5.7 Written Resolution

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

5.8 Voting

- (a) All resolutions put to vote at the Board meetings shall be decided by a simple majority vote, and each Board member shall have one (1) vote. In the case of equality of votes, where two (2) Directors form a quorum, the Chairperson 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 Chairperson shall have a second or casting vote.
- (b) Directors are required to inform the Board of conflicts or potential conflict of interest that they may have in relation to a particular subject matter or business transaction. These Directors shall abstain from deliberation and voting on those matters.

5.9 Minutes

- (a) The minutes shall record the proceedings of the meeting, deliberations and decisions made by the Board, including any concerns raised or dissenting views expressed by the Directors. Any Director who had abstained from voting or deliberating on a particular matter will also be recorded in the minutes.
- (b) Minutes of meeting shall be circulated to all members of the Board in a timely manner.

5.10 Meetings Papers

- (a) In the preparation of the agenda for each Board Meeting, the Chairperson and Company Secretary need to be sensitive to disclosed interests and consider whether it is appropriate to withhold part or all of an agenda item (including any relevant Papers) from any Director because of a potential or actual conflict. If the Chairperson decides to withhold part or all of an agenda item from a Director, he/she must advise the Director at the time of dispatch of the relevant Board papers.
- (b) The Company Secretary shall maintain a record of all Board papers and any materials presented to the Board, together with the minutes of meetings, all of which are accessible to all Directors.

6. DIRECTORS' REMUNERATION

- 6.1 The Board acknowledges motivating and retaining qualified Board members is indispensable for driving the Company forward in achieving its business objectives and strategic goals.
- 6.2 The performance of Directors is measured by the Directors' contribution and commitment to both the Board and the Company.
- 6.3 The fees and any benefits payable to the Directors shall be subject to annual shareholders' approval at AGM.
- 6.4 The Company shall provide a fair, reasonable and competitive remuneration for its EDs to ensure that the Company attracts and retains high calibre EDs who have the skills, experience and knowledge to increase entity value to the benefit of all shareholders.
- 6.5 For Non-EDs, the determination of their remuneration is a matter for the Board as a whole and the level of remuneration reflects the experience and level of responsibility of each Non-ED. The Directors concerned shall abstain from voting or participating in discussions about their own remuneration.
- 6.6 The Board has established a formal and transparent process for approving the remuneration of Directors, whereby the RC is responsible for reviewing the remuneration policies and procedures and making recommendations on the same to the Board for approval. During its review, the RC will consider various factors including fiduciary duties, expected time commitment and the Group's performance.

7. BOARD ASSESSMENT AND EVALUATION

- 7.1 The NC is entrusted by the Board to conduct an annual review of the performance and effectiveness of the Board, its Committees and individual Directors. The Board assessment and evaluation shall focus on the necessary mix of skills, experience and other qualities required for optimal Board function. The results of the evaluation are then discussed during the Board meeting to ensure continuous improvement and alignment with the Company's strategic goals.
- 7.2 To maintain the integrity and independence of the appraisal process, the Company Secretary is authorised to collate the results of the evaluation before presenting them to the Chairperson of the NC and Board.

8. SUCCESSION PLANNING

- 8.1 The Board shall ensure there is an orderly succession planning for Executive Directors and Key Senior Management positions who are high calibre. The Board delegates to the NC and RC the responsibility to review succession plans and remuneration packages for Directors and Key Senior Management. The Board also ensures that appropriate policies are in place for training, appointment and performance monitoring of Key Senior Management positions.
- 8.2 The Company provides its employees with opportunities for career and self- development, conducive working conditions and rewards. Career development opportunities are offered through the succession planning process.
- 8.3 Succession planning identifies suitable personnel with the right qualifications, attributes and qualities to assume key positions within the Company as well as the key competencies required to fill those positions.

- 8.4 Succession planning also serves as a basis for manpower planning activities and identifying training needs.
- 8.5 The MD/CEO shall update the Board from time to time on the Key Senior Management succession plan.

9. INDUCTION AND CONTINUING DEVELOPMENT

- 9.1 The objective of the induction and training programme is to provide Directors with a prompt and clear insight into the Group as well as keeping them well-informed with developments in the business environment and markets in relation to their responsibilities as Directors.
- 9.2 Newly appointed Directors are required to complete the Mandatory Accreditation Programme required under the Listing Requirements.
- 9.3 In addition to the Mandatory Accreditation Programme as required by Bursa Securities, the Directors shall continue to update their knowledge and enhance their skills through appropriate continuing education programmes, enabling them to effectively discharge their duties and actively participate in Board deliberations.
- 9.4 The costs of the induction training programme, Mandatory Accreditation Programme and continuing education programmes shall be borne by the Company.
- 9.5 The Board, through the NC, shall annually assess the training needs of the Directors to keep themselves keep abreast with the latest market trends and recent changes in laws, regulations and business environment, so as to discharge their duties effectively.

10. ACCESS TO INFORMATION

- 10.1 All Directors shall have unrestricted access to the management to any information pertaining to the Group, including access to the advice and services of the Company's internal auditors, external auditors and Company Secretary, which is relevant to the furtherance of their duties and responsibilities as Directors of the Company at the expense of the Company.
- 10.2 Directors are entitled to request and receive additional information as they consider necessary to support informed decision-making. Any Director has the authority to seek any information he/she requires from any employee of the Group and all employees must comply with such requests. Any significant issues raised by a director are to be communicated to the Chairperson, MD or Company Secretary.

11. INDEPENDENT PROFESSIONAL ADVICE

- 11.1 In discharging the Directors' duties, the Board is entitled to obtain independent professional advice at the expense of the Company. This is for advice deemed relevant and necessary for the Directors to discharge their duties for the overall benefit of the Company.
- 11.2 In such circumstances, the Director shall first discuss it with the Chairperson 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 Directors who is acting in his or her capacity of the furtherance of his/her executive responsibilities and within his/her delegate powers.

12. CONFIDENTIALITY AND DISCLOSURES OF INTEREST

- 12.1 The Directors are required to act in the best interest of the Company. The Directors also have a duty of confidentiality in relation to the Company's confidential information.
- 12.2 All information and documentation received by the Board from the Company shall be treated as confidential, unless otherwise expressly decided by the Board. All Board members are responsible for ensuring that any material received is properly protected and remains confidential. If any information is to be provided to third parties, this shall be decided by the MD/CEO.
- 12.3 A Director should avoid involving himself/herself in situations where there is real or apparent conflict of interest between him/her as individual and the interest of the Company or Group. Should there be any situation involving conflict of interest, a Director must disclose to the Board the nature and extend of any conflict of interest, whether direct or indirect, actual or potential with the Company or Group, immediately after the relevant facts have come to the Director's knowledge.
- 12.4 The Director concerned should abstain from the deliberations and voting on any Board resolution approving any contract or arrangement or any other proposal in which he/she or any person connected with him/her has a material interest nor shall he/she be counted in the quorum present at the Board meeting.
- 12.5 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.
- 12.6 The Company Secretary shall facilitate the Directors' annual independence and declarations on conflict of interest, enabling the Directors to perform an annual self-declaration of independence for Independent Non-Executive Directors and a declaration of conflict of interest for all Directors.

13. DEALINGS IN SECURITIES

- 13.1 A Director must not deal in the Company's securities when he is in possession of price sensitive information. All Directors must also comply with the disclosure requirements as prescribed under Chapter 14 of the Listing Requirements when dealing in the Company's securities.
- 13.2 Board members shall strictly observe the provision of the Company's Constitution and all relevant legislative or regulatory procedures at all time.

14. CORPORATE POLICIES AND PROCEDURES

The Board acknowledges the importance of maintaining robust corporate policies and procedures to uphold ethical standards and legal compliance. The Board has established the following policies to support its oversight functions and advance the Group's corporate governance:-

14.1 Code of Conduct and Ethics

The Company's Code of Conduct and Ethics is to be observed by all Directors, employees, consultants and any other person who represent the Company. The objective of this policy are as follows:

- (a) to establish ethical conduct standards for Directors based on accepted beliefs and values;

- (b) to uphold social responsibility and accountability in alignment with legislation, regulations and guidelines governing the Group; and
- (c) to document and emphasize to Directors their integral obligation to perform duties in a lawful, honest and ethical manner, free from any conflict of interest or perceived conflict of interest.

14.2 Anti-Bribery and Corruption Policy (“ABC Policy”)

The Group is committed to conducting business dealings with integrity, fairness, openness, transparency, honesty and respect. Integrity is the core value and the guiding principle of the Group in every decision-making process, and actions taken in the workplace. The Group adopted a zero-tolerance approach toward all forms of bribery and corruption.

The ABC Policy defines the Group's stance on areas relevant to bribery, corruption and fraud, and provides guidance on how the Group's personnel are expected to conduct themselves when encountering potential acts of fraud, bribery and corruption. The ABC Policy also applies to any third party who performs services on behalf of the Group.

The objectives of this policy are as follows: -

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

14.3 Whistleblowing Policy

The Board is committed to the highest standards of integrity, openness and accountability in the conduct of its businesses and operations. The Board aspires to conduct its affairs in an ethical, responsible and transparent manner, which is vital to the success of the Group. To achieve this purpose, the Board has established a Whistleblowing Policy.

The Whistleblowing Policy has been formulated to enable employees within the Group, vendors and members of the public to report any improper conduct, unethical behaviour, actual or suspected fraud or abuse within the Group in accordance with the procedures provided under this policy and to protect them under such allegations.

This policy also intended to encourage employees to raise serious and genuine concern(s) about any improper conduct without fear of victimisation, harassment, discrimination or intimidation from the wrongdoer.

The policy defines clearly the procedures to make whistleblower reports, dealing with anonymous whistleblowers, investigation process, confidentiality and protection to whistleblowers and the report format.

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

14.4 Directors' Fit and Proper Policy

The objective of this policy are as follows:

- (a) to serve as a guide to ensure all Directors of the Group possess the necessary character, experience, integrity, competence, and time to effectively discharge their roles as Directors; and
- (b) to assist NC in conducting essential assessments of candidates before appointment of new Directors or re-appointment and/or re-election of existing Directors.

15. COMPANY SECRETARY

15.1 The Company Secretary shall be a person who is qualified pursuant to Section 235 of the Act. The Board is supported by at least one (1) suitably qualified and competent Company Secretary who plays an important role to provide sound governance advice, ensure adherence to rules and procedures, and advocate the adoption of corporate governance best practices.

15.2 The Company Secretary shall, in accordance with the Act, be appointed by the Directors for such term, at such remuneration, and upon such conditions as the Directors think fit. The Company Secretary so appointed may be removed by the Directors but without prejudice to any claim he or they may have for damages for breach of any contract of service with the Company.

15.3 The key responsibilities of the Company Secretary include, amongst others, the following:-

- (a) to ensure that the Board procedures are followed during meetings;
- (b) to manage all logistics for the Board and Board Committees meetings, and to attend and record minutes of all such meetings;
- (c) to advise the Board on its roles and responsibilities;
- (d) to advise the Board on corporate disclosures and compliance with the Act, securities regulations and Listing Requirements;
- (e) to manage procedures pertaining to the AGM/GM;
- (f) to monitor corporate governance developments and assisting the Board in adopting good corporate governance practices to meet the Board's needs and stakeholders' expectations; and
- (g) to carry out other functions as may be directed by the Board from time to time.

15.4 The office of the Company Secretary shall be vacated if the Company Secretary resigns from his office by giving notice in writing to the Board in accordance with the Act.

16. EXTERNAL AUDITORS

- 16.1 The Board has established formal and transparent arrangements to maintain an appropriate relationship with the external auditors through the ARMC.
- 16.2 The ARMC reviews the scope and results of the audit of the Company and the Group and also to assess the independence, capability, the independence and cost effectiveness of the external auditors. The ARMC ensures that the external auditors do not supply a substantial volume of non-audit services to the Company.
- 16.3 The ARMC shall review the appointment, re-appointment, termination and the audit fees of the external auditors and thereafter, recommend to the Board for approval.
- 16.4 The ARMC shall have no restriction to have transparent and access to the external auditors and ensure that there will be a formal open discussion with the external auditors without the presence of the Management to ensure that the external auditors can and will report any matters concerned direct to the ARMC without pressure.
- 16.5 The external auditors must attend the AGM and must be available to answer questions about:
- (a) the conduct of the audit;
 - (b) the preparations and content of the auditor's report;
 - (c) the accounting policies adopted by the Company and the Group in relation to the preparation of the financial statement; and
 - (d) the independence of the external auditors in relation to the conduct of the audit.

17. INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION

- 17.1 The Board acknowledges and values the importance of an effective and clear communication with its shareholders as well as with its potential investors and the public.
- 17.2 The Board is committed that the highest standard of transparency and accountability in the disclosure of pertinent information relating to the Group, are adopted. To achieve this, the Company has implemented amongst others, the following:-
- (a) timely release of announcements to Bursa Securities, which include quarterly financial results, material contracts awarded and any other material information that may affect investors' investment decision;
 - (b) conducts regular dialogues with financial analysts as a mean of effective communication, which enables the Board and Management to convey information relating to the Group's performance, corporate strategy and other matters affecting shareholders' interests;
 - (c) conducts press conference after AGM or General Meetings ("GM") of the Company to provide the media an opportunity to receive updates from the Board on the proceedings at the general meetings and to address any queries from the media;
 - (d) allows shareholders to engage in interactive discussions on the Company's financial and non-financial performance as well as its long-term strategies during AGM or GM. The Board shall also invite the external auditors to attend AGM and be available to answer to shareholders' questions about the conduct of the audit and the preparation of the auditor's report;
 - (e) publishes minutes of AGM/GM together with issues or concerns raised by shareholders and responses by the Company on the Company's website not later than 30 business days after the conclusion of the meeting; and

- (f) allows stakeholders to easy access to corporate information about the Company and the Group through the Company's website.

18. GENERAL MEETINGS

- 18.1 An AGM is a yearly gathering between the shareholders of the Company and its Board. The Directors must ensure that AGM provides an important opportunity for effective communication with, and receive constructive feedback from, the Company's shareholders.
- 18.2 The Directors may convene a GM other than AGM to transact other businesses. GMs shall also be convened on any requisition made in accordance with the provisions of the Act, or if the Company makes default in convening a GM in compliance with a requisition received pursuant to Section 311 of the Act, a GM may be convened by such requisitions in the manner provided in Section 313 of the Act. Any GM convened by requisitions shall be convened in the same manner, as nearly as possible, as that in which GMs are to be convened by the Directors.
- 18.3 The Chairperson shall encourage active participation by the shareholders during the AGM/GM.
- 18.4 The Chairperson and, where appropriate, the MD and/or the Management shall respond meaningful to shareholders' queries during the AGM/GM. If time does not permit during the AGM/GM, the Board should leverage on communication technology to continue communicate with the shareholders outside of the meeting.
- 18.5 The Company shall in each year hold an AGM within six (6) months from the Company's financial year end and not more than fifteen (15) months after the last preceding AGM.
- 18.6 The notices convening an AGM shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least twenty-eight (28) days before the meeting. Whereas the notices convening a GM shall be given to all shareholders at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed. Any notice of meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business.
- 18.7 No business shall be transacted at any GM of the Company unless a quorum is present when the meeting proceeds to business. For all purposes, two (2) members present in person or by proxy, or, in the case of corporations which are members, present by their representatives appointed pursuant to the provision of the Company's Constitution and entitled to vote shall be a quorum.
- 18.8 Subject always to the provisions of Section 323 of the Act, no business shall be transacted at a GM except business of which notice has been given in the notice convening the GM.

19. REVIEW OF BOARD CHARTER

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

This Board Charter is made available on the Company's website.