



BOARD CHARTER

1. BOARD RESPONSIBILITIES

The Board of Directors (“**the Board**”) is responsible for the proper stewardship of the Company and its subsidiaries (collectively known as “**the Group**”). The Group is to ensure the maximisation of shareholders’ value and safeguarding the stakeholders’ interests, including securing sustainable long-term financial results and increasing shareholder value, with the proper social and environmental considerations.

The Board is also responsible to promote an effective execution of good corporate governance and a corporate culture of ethical conduct, especially among its members and generally that would permeate throughout the Company as evidenced by the Board Charter. As part of its continuous effort to promote good corporate governance, periodical updates on the codes are informed to stakeholders by way of detailed reporting in the Annual Report circulated every once a year. Hence, the Board should collectively have sound and sufficient knowledge and expertise to enable effective governance and oversight.

The Board has the following major responsibilities, which facilitate the discharge of the Board’s fiduciary and leadership functions in the pursuit of the best interest of the Group:

- (a) Together with senior management, promote good corporate governance culture within the company which reinforces ethical, prudent and professional behaviour;
- (b) Review, challenge and decide on management’s proposals for the Group , and monitor its implementation by management;
- (c) Ensure the strategic plan of the Group supports long term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability
- (d) Overseeing the conduct of the Group’s business to evaluate whether the business is being properly managed and sustained;
- (e) Identifying principal risks and ensuring the implementation of appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- (f) Succession planning, including appointing, training, fixing the remuneration of and, where appropriate, replacing senior management personnel of the Group;
- (g) Developing and implementing an investor relations programme by way of analyst report for the Group and pro-active communication with shareholder during the AGM and EGM;
- (h) Ensure the integrity of the Group’s financial and non-financial reporting; and
- (i) Reviewing the adequacy and integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The matters listed below are reserved for the collective decision of the Board:

- a) Conduct of the Board
 - a. Appointment of Directors based on the recommendations by the Nomination Committee in accordance with the:
 - Companies Act 2016 (“**CA2016**”)
 - Company’s Constitution (“**Constitution**”)

- Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("MMLR")
 - Malaysian Code on Corporate Governance ("MCCG")
 - Company's Board Charter
 - Company's Remuneration Policy
 - b. Appointment and removal of Company Secretary;
 - c. Appointment and removal of Directors and Board Committees' members;
 - d. Approval of terms and reference of Board Committees and amendments to such terms;
 - e. Appointment of the Managing Director ("MD"), Deputy Managing Director ("DMD") and Executive Directors ("ED") of the Group and their duties and the continuation (or not) of their services;
 - f. Conducting Annual Assessment via questionnaires on individual Director, Board, Board Committees, MD, DMD, ED, Chairman, Audit and Risk Committee (including assessment on Internal and External Auditors);
 - g. Providing governance in matters requiring corporate justice and integrity;
 - h. Protecting the interest and providing for the information needs of the various stakeholders; and
 - i. Ensuring compliance with all relevant regulations and legislations.
- b) Remuneration
- a. Upon recommendation by the Remuneration Committee, determination of the Directors' fee/ remuneration arrangements of both Executive Directors and Non-Executive Directors;
 - b. Approval of the remuneration structure and policy for MD, DMD and ED; and
 - c. Approval of remuneration packages and service contracts for MD, DMD and ED.
- c) Operational
- a. Approval and review of group's strategic direction including approval of corporate exercises or restructuring plans;
 - b. Approval of land acquisition and major capital expenditure as may be determined and proposed by the Management from time to time;
 - c. Approval of significant write-off in excess of the prescribed amount as may be determined from time to time as proposed by the Management;
 - d. Approval of investment or divestment in a company/ business/ property/ undertaking;
 - e. Approval of investment or divestment of a capital project, which represents a significant diversification from the existing business activities;
 - f. Approval of changes in the major activities of the Group;

- g. Approval of new policies and procedures and any amendments thereafter;
- h. Determination of the Group's overall risk appetite, level of risk tolerance and active identification, assessment and monitoring of key business risks to safeguard shareholders' investments and the Company's assets, and communication of the same to the senior management; and
- i. Approval of the Limits of Authority for the Company's operational purposes.

d) Financial

- a. Approval of interim and annual financial statements;
- b. Approval for the release of financial announcements;
- c. Approval of Annual Report, Corporate Governance Report, Sustainability Statement and Financial Statements to be released to Bursa Malaysia;
- d. Determination of Dividend Policy and approval of Interim Dividends, the recommendation of Final Dividend and the making of any other distribution;
- e. Adoption of accounting policies in line with Malaysian Financial Reporting Standards;
- f. Approval of the Limits of Authority for the Company's banking and finance purposes; and
- g. Review of the effectiveness of the Group's system of internal control. This function is delegated to the Audit and Risk Committee, which will in turn report to the Board on its findings.

e) Other matters

- a. Granting of power of attorney by the Company;
- b. Entering into any indemnities or guarantees issued by the Company;
- c. Recommending changes to the Company's Constitution; and
- d. Changing the financial year end.

In general, a Director's responsibilities include:

- (a) The ultimate decision-making body of the Group, with the exception of matters requiring the shareholders' approval;
- (b) To set the strategic direction and vision of the Group;
- (c) To collectively responsible for the proper stewardship of the Group's business and the creation of long-term shareholder value, whilst taking into account also the interests of other stakeholders;
- (d) To be aware of the Group's operating environment and promote safety and soundness of the Group;
- (e) To be diligent in undertaking his duties and avoid conflict of interest situation;

- (f) To understand his oversight role and exercise independent judgement in decision making;
- (g) To devote adequate time and attention to discharge his duties and responsibilities effectively;
- (h) To contribute actively to the functions of the Board and be able to provide sound and objective advice;
- (i) Responsible for putting in place a framework of good corporate governance within the Group, including the processes for financial reporting, risk management and compliance; and
- (j) To comply with all the established set of guidelines, policies and procedures.

2. BOARD MEMBERSHIP GUIDELINES

(a) **Composition**

In accordance with the best practice in corporate governance and guideline prescribed in the MMLR, the composition of the Board shall either be at least two (2) Directors or one third (1/3) of the Board, whichever is higher, are Independent Directors or the Board shall consist of at least 50% Independent Director.

The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. If the Board intends to retain an Independent Director beyond 9 years, it should provide justification and seek annual shareholders' approval at the AGM.

The Board is responsible to determine the appropriate size of the Board. The screening and evaluation process for potential new Directors and/or Directors to be nominated for re-election is delegated to the Nomination Committee ("NC").

On the appointment of a new Director, the new Director is required to commit sufficient time to attend to the Company's meetings/ matters before accepting his/ her appointment to the Board.

In accordance with the MCCG, Directors are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment.

(b) **Role of Chairman**

The Chairman represents the Board to the shareholders. The Chairman is responsible for ensuring the integrity and effectiveness of the governance processes of the Board and will consult with the Board promptly over any matter that gives him cause for major concern.

The Chairman will act as a facilitator at meetings of the Board and ensure that no Board member, whether Executive or Non-Executive, dominates the discussion, and that appropriate discussion takes place and that relevant opinion among Board members are forthcoming.

The Board shall also appoint from amongst its member an Independent Non-Executive Director to be called "Senior Independent Director", to whom concerns from the other Directors, public or investors may be conveyed. Inquiries or complaints about decisions or actions taken by the Group should be addressed to the Senior Independent Director.

In the interest of the Company and under permitted circumstances, the Board shall exercise the separation of the positions of the Chairman and the MD. This would provide good perception to the Company as it promotes accountability and facilitate division of responsibilities between the Executive and Non-Executive functions.

The key roles and accountabilities of the Chairman include:

- i. Managing Board communications and Board effectiveness and effective supervision over Management;
- ii. Encouraging active participation and allowing dissenting views to be freely expressed during Board and shareholders' meetings;
- iii. Ensuring Board proceedings are in compliance with good conduct and best practices;
- iv. Maintaining good contact and effective relationships with external parties, investing public, regulatory agencies and trade associations; and
- v. Ensuring that quality information to facilitate decision-making is delivered to the Board in a timely manner.

(c) **New Board members**

New Board members shall be briefed on the terms of their appointment, their duties and obligations and on the operations of the Group. Copies of the following shall be provided to the newly appointed Director:

- i. Board Charter;
- ii. Constitution;
- iii. Code of Conduct and Ethics;
- iv. Investor Relations Disclosure Policy;
- v. Whistle Blowing Policy;
- vi. Anti- Bribery and Corruption Policy;
- vii. Remuneration Policy;
- viii. Board Committee's composition and terms of reference;
- ix. Latest business plans;
- x. Latest Annual Report, Corporate Governance Report, Sustainability Statement and Financial Statements; and
- xi. Organisation chart.

(d) **Code of Conduct and Ethics ("Code")**

Board members are required to observe the Code as follows:

- i. Compliance at all time with this Code and the Board Charter.
- ii. Observe good corporate governance at all times.

- iii. Adhere to the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- iv. Act in good faith and in the best interest of the Company and the Group.
- v. Not misuse information gained in the course of duties for personal gain or for political purposes, nor seeks to use the opportunity or the service as Directors to promote their private interests or those of connected persons, firms, businesses or other organisations.
- vi. Uphold accountability at all times. This includes ensuring that the Group's resources are properly safeguarded and the Group conducts its operations as economically, efficiently and effectively as possible at all time.
- vii. Board members must not accept positions on Board Committees or working groups where a conflict of interest is likely to arise, without first declaring their interest.
- viii. By consensus of the Board of Directors, the Independent Non-Executive Chairman or the Independent Non-Executive Audit and Risk Committee Chairman would be the appropriate person to receive any communication and feedback to facilitate whistle-blowing.
- ix. Declaration of any personal, professional or business interests that may conflict with Directors' responsibilities. Guidance on declaration and registration of interests is given in the section entitled "Declaration of Interest" below.
- x. Follow the Guidelines on Offering and Acceptance of Gratification as stated below.

(e) **Declaration of Compliance of Y&G's Anti –Bribery and Corruption Policy**

Members of the Board are required to declare that they have read and understood Y&G's Anti-Bribery and Corruption Policy and will abide by the requirements and provisions set out in the policy.

(f) **Declaration of Interest**

Subject to the requirement of any acts, rules and regulations that are in force from time to time and in addition to such mandatory requirements, members of the Board are required to notify the Company Secretary on changes/ occurrences in the following matter:

- i. Shareholding in the Company and its related corporations, whether direct or indirect; and
- ii. Directorships or interest in any other corporations.

In addition to the above, member of the Board who has a material interest, either directly or through a partner, spouse or close relative, in matters being considered by, or likely to be considered by the Board should declare their interest. Such declarations should describe the interest clearly and state whether it carries direct or indirect financial benefits. This requirement also applies to senior management personnel.

Relevant interests in this context are as follows:

- i. Executive and Non-Executive directorships of, significant shareholdings in, or employment by, public or private companies likely or possibly seeking to do business with the Group.
- ii. Ownership or part-ownership of, or employment by, businesses or consultancies likely or possibly seeking to do business with the Group.

(g) **Register of Interest**

The Code requires that a formal register of interests be established. The register should include details of all directorships and other relevant interests declared by Board members and senior management personnel.

The register should be kept up-to-date through an annual survey of members' interests, carried out by the Company Secretary.

(h) **Conduct in Meetings**

Any Board member who has a clear and substantial interest in a matter under consideration by the Board should declare his interest at any meeting where the matter is to be discussed, whether or not that interest is already recorded in the register. The Board member concerned should withdraw from the meeting during the relevant discussion or decision.

(i) **Meetings**

Notice and Agenda

- a. Unless otherwise determined by the Directors, seven (7) days' notice of all Board meeting shall be given to all Directors.
- b. The agenda and relevant documents for the Board meeting must be issued at least seven (7) days prior to each of the Board meeting to allow sufficient time for Directors to consider the relevant information and the Chairman shall ensure that proper agenda is prepared for the Board meeting.

Quorum

- c. The quorum necessary for the transaction of business of the Directors may be fixed by the Directors and unless so fixed shall be two (2). An alternate Director shall count as representing the Director appointing him in ascertaining whether a quorum of Directors is formed.
- d. In the absence of the Chairman, the members present shall elect a Chairman for the meeting within the members present.

Meetings

- e. The Directors must devote sufficient time to prepare for and attend board meetings, and maintain a sound understanding of the business.
- f. The Board shall meet sufficiently to discharge its duties effectively. The Board shall have at least five (5) times scheduled meetings in each financial year, or more frequently as the circumstance may dictate.

- g. The Chairman is responsible, in consultation with the MD, DMD, ED and the Company Secretary, for the conduct for all Board Meetings. This includes being satisfied with the agenda items, appropriate and ensure that the recommendations fit within the strategic direction set by the Board.
- h. A Director must attend at least 50% of the Board Meetings held in each financial year.
- i. Members of Senior Management may be invited to attend selected Board Meetings when deemed necessary.

Minutes

- j. The discussions and decisions of the Board meetings shall be minuted, in an accurate, consistent, complete and timely manner. The minutes shall indicate whether any Directors abstained from voting or excused himself from deliberating on a particular matter.
- k. The draft minutes shall be circulated to all Directors for comments.
- l. The minutes shall be kept by Company Secretary together with the attendance sheet.

(j) **New Directorships**

Board members should not accept positions on Board Committee or working groups where a conflict of interest is likely to arise, without first declaring their interest.

(k) **Guidelines on Offering and Acceptance of Gratification**

Relevant interests in this context are as follows:

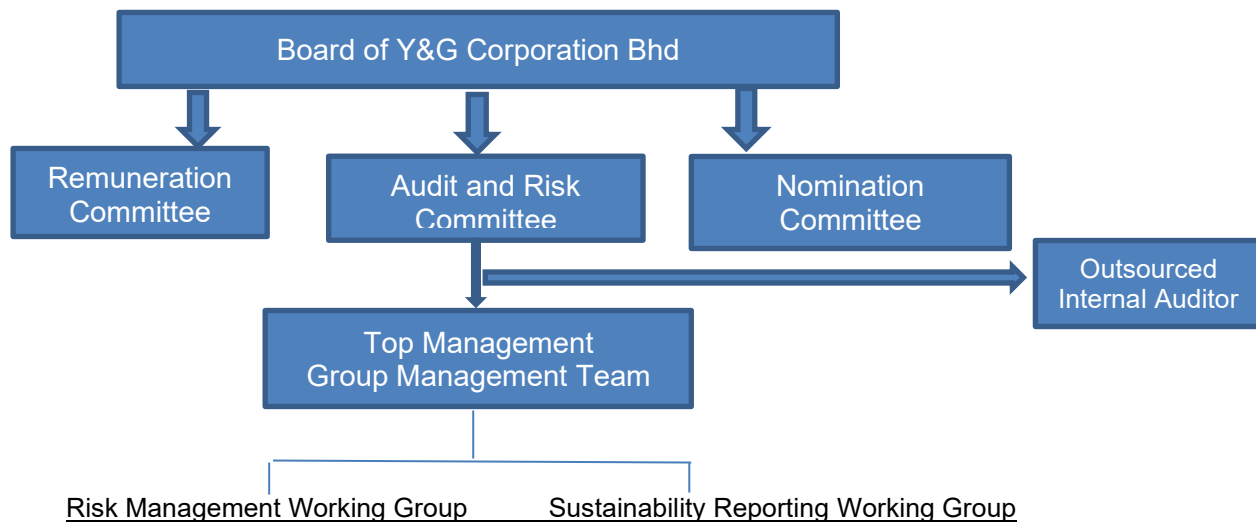
- i. The conduct of individuals must not create suspicion of any conflict between their positions as a member of the Board and any private interest.
- ii. Board members acting as such must not give the impression that they have been influenced by a benefit to show favour or disfavour to any person or organisation having dealings with the Group.
- iii. Board members must not accept any benefit as an inducement or reward for taking any action (or specifically not taking any action) in their official capacity as a Board member.
- iv. Gifts other than of token value should generally be refused.
- v. Prevent corrupt practices which include the offering and acceptance of gratification as stated in the Anti-Bribery and Corruption Policy;

(l) **Shareholdings by Board members in the Company**

Board members may hold securities in the Company. Buying or selling of securities in the Company are allowed, provided that the Board members must strictly observe the provisions of MMLR, Constitution, the Code of Conduct and Ethics and all relevant legislative and regulatory requirements.

In the event the Chairman of the Board is not an Independent Director, the Board must ensure that the composition of the Board should comprise a majority of Independent Directors to ensure balance of power and authority on the Board.

3. BOARD STRUCTURES AND PROCEDURES



Board Committees

The Board may delegate specified matters to individual members or Committees of the Board to oversee critical or major functional areas and to address matters which require detailed review or in-depth consideration. All such Committees must be provided with written terms of reference which state clearly the extent and limits of their responsibilities and authorities, specifically whether they have authority to decide on behalf of the Board or are to report back to the Board.

There shall be established, but not limited to the following Board Committees:

- a. Audit and Risk Committee;
- b. Nomination Committee; and
- c. Remuneration Committee.

A) Terms of Reference of Audit and Risk Committee

The Audit and Risk Committee (“**ARC**”) is established to assist the Board in fulfilling its oversight responsibilities and to ensure that the Management has properly addressed the required controls and guidance by the Board. The ARC shall review and ensure that the process of assessing the risk, control and governance, including operational and financial controls, business ethics and compliance, are properly managed and monitored.

i. Composition

The following requirements are to be fulfilled by the Board on the appointment of the ARC from among its members:

- 1) The ARC must be composed of no fewer than three (3) members, all members must be non-executive directors, the majority of whom must be independent directors.
- 2) The Chairman of the ARC shall be elected among themselves from its Independent Non-Executive Directors members and;
- 3) at least one (1) member of the ARC must be a member of the Malaysian Institute of Accountants or must have at least three (3) years' working experience and:
 - a) must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - b) must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.
- 4) Alternate Directors, if any, must not be appointed as a member of the ARC; and subject to any regulatory disqualification, member of the ARC shall not be removed except by the Board.
- 5) In the event of any vacancy in the ARC, the Board shall, within three (3) months fill the same so as to comply with all regulatory requirements. In any event, the Board shall review the term of office and performance of the ARC and each of its members at least once every three (3) years.

ii. **Meeting and Attendance**

The quorum for all meetings of the ARC shall not be less than two (2), a majority of whom shall be Independent Non-Executive Directors. The Chairman shall chair all meetings and during his absence, another Independent Non-Executive Director shall chair it.

- 1) Meetings shall be held not less than four (4) times a year and the MD, DMD and ED and Internal Auditors shall, by invitation, attend the meetings. Other Management members shall be invited to attend as and when required by the ARC.
- 2) The External Auditors are normally invited to attend meetings as and when necessary.
- 3) The ARC shall meet separately with the External and Internal Auditors at least once a year without the presence of the Management.
- 4) The Company Secretary shall be the Secretary of the ARC and shall provide the necessary administrative and secretarial services for the effective functioning of the ARC. The draft minutes shall be circulated to the ARC members for comment and the signed minutes shall be tabled at the subsequent ARC meeting.

iii. **Authority**

The Board has empowered the ARC to:

- 1) investigate any activity within the scope of the ARC's duties and its terms of reference and shall have full and unrestricted access to any information or documents relevant to the ARC's activities;
- 2) obtain independent legal or other professional advice as necessary;
- 3) communicate directly with the External and Internal Auditors and all employees of the Group. ARC would be required to assess the qualifications and competencies of External and Internal Auditors;
- 4) have adequate resources to perform its duties as set out in its terms of references;
- 5) have full and unrestricted access to any information pertaining to the Group; make recommendations for improvements of operating performance and Management control arising from internal and external audit recommendations; and
- 6) be able to convene meetings with the external auditors, the person(s) carrying out the internal audit function or activity or both, excluding the attendance of other directors and employees, whenever deemed necessary.

iv. **Duties and Responsibilities**

The functions of the ARC have been expanded to include matters specified in the MCCG as follows:

- 1) **Risk Management and Internal Control**
 - Ensure the integrated risk management function within the Group are effectively discharged;
 - Formulate and review the risk strategy of the organisation including approving and reviewing the Group's risk management profiles, policies, report and setting risk appetite; and
 - ARC meets the Board once a year on work carried out and decisions taken on delegated matters.
- 2) **Financial Reporting**

Review the annual and quarterly financial results of the Group focusing on, among others, financial disclosures, changes in accounting policies and practices in compliance with Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards and the requirements of the CA2016 as well as the MMLR.
- 3) **Internal Audit ("IA"):**

In respect of the internal audit function:

- a) to review the adequacy of the scope, functions, competency and resources of the IA and to assess whether it has the necessary authority to carry out its responsibilities with regards to the annual audit plan in accordance to the Institute of Internal Auditors' best practices and frameworks;
- b) to review the internal audit program and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the IA;
- c) to review any appraisal or assessment of the performance of the IA as well as to make recommendation for the appointment or termination of IA to the Board; and
- d) allowing ARC to discuss directly with IA as and when is required by ARC.

4) External Audit ("EA"):

With regards to EA:

- a) To review and monitor the suitability and independence of the EA. The ARC's judgement is required in assessing the independence of EA not to be impaired by provision of non-audit services;
- b) To review and consider the appointment, resignation or termination of EA and make necessary recommendations to the Board for approval;
- c) To deliberate on their fee and make necessary recommendations to the Board for approval;
- d) To discuss with the EA, prior to the commencement of the audit, the nature and scope of audit and to ensure coordination where more than one audit firm is involved;
- e) To review with the EA the Audit Planning Memorandum on the nature and scope of audit and to ensure coordination where more than one audit firm is involved. To evaluate the systems of internal accounting controls, their Audit Reports and the assistance given by the Company's officers to the EA;
- f) To review the quarterly and year end Annual Financial Statements before submission to the Board and announcements to the Bursa Malaysia Securities Berhad ("**Bursa**"), focusing particularly on:
 - (i) any changes in accounting policies and practices;
 - (ii) significant adjustment arising from the audit;
 - (iii) significant and unusual events;
 - (iv) the going concern assumption;

- (v) in compliance with Malaysian Financial Reporting Standards (**MFRS**), International Financial Reporting Standards and the requirements of the CA2016 as well as the MMLR and other legal requirements;
- (vi) to convene a meeting at least once a year on any issues from the audits, with the EA separately without the presence of the Management; and
- (vii) to review the EA's Management Letter and Management's response.

v. Other Responsibilities

- 1) To instruct the External and Internal Auditors that the ARC is to be advised accordingly if there are any areas that require their special attention, including major findings of internal investigations and Management's response.
- 2) To report its activities to the Board in such manner and at such times as it deems appropriate and report to the Bursa where the ARC is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in breach of the MMLR.
- 3) To review any related party transactions that may arise within the Group in complying with the MMLR and conflict of interests situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- 4) Recommend the nomination of a person or persons as external auditors.
- 5) To consider and examine any other matters as the ARC considers appropriate or as instructed by the Board.

B) Terms of Reference of Nomination Committee

In accordance with MCCG, the Board establishes the Nomination Committee ("**NC**") responsible for identifying, nominating and orienting new Directors. It helps to ensure that the Board level recruitment matters are discussed in depth, allowing the Board to spend time on other strategic and operational matters.

i. Composition

- 1) The NC should comprise exclusively of Non-Executive Directors, a majority of whom must be independent.
- 2) The quorum for the NC shall be two (2) members.
- 3) The Chairman of the NC shall be the senior Independent Director identified and approved by the Board.
- 4) The appointment of a Committee member terminates when the members cease to be a Director, or as determined by the Board.
- 5) In the event of equality of votes, the Chairman shall have a casting vote. In the absence of the Chairman, the members present shall elect one of their members to chair the meeting.

- 6) Where the members for any reason are reduced to less than three (3), the Board shall, within three (3) months of the event, appoint such member or new members as may be required to make up the minimum number of three (3) members.

ii. **Duties and Responsibilities**

The duties of the NC are as follows:

- 1) To consider, evaluate and recommend to the Board for appointments of Directors and Board Committees' Members.
- 2) In making a recommendation to the Board on the candidate for directorship, the Committee shall have regard to:
 - a) size, composition, mix of skills, experience, competencies and other qualities of the existing Board, level of commitment, resources and time that recommended candidate can contribute to the existing Board and Group;
 - b) the appropriate number of Independent Directors to fairly reflect the interests of Minority Shareholders to ensure a balance of power and authority on the Board;
 - c) Best Practices of the MCCG which stipulates that Directors should be persons of calibre, credibility and have the necessary skill and experience to bring an independent judgement on issues considered by the Board.
- 3) To recommend to the Board, Directors to fill the seats on Board Committees;
- 4) To review annually and recommend to the Board with regard to the structure, size, balance and composition of the Board and Committees including the required mix of skills and experience, core competencies which Directors should bring to the Board and other qualities to function effectively and efficiently;
- 5) To evaluate and perform an assessment on an annual basis, the effectiveness of the Board as a whole, the Board Committees and each Director's ability to contribute to the effectiveness of the Board and the relevant Board Committees;
- 6) To recommend to the Board whether Directors who are retiring by rotation should be put forward for re-election/ reappointment at AGM.
- 7) To ensure an appropriate framework and plan for the Board and Management succession in the Group.
- 8) To provide adequate orientation for new Directors as well as continuous awareness for training to be attended by Directors during the year as advised by the Company Secretary.
- 9) To consider other matters as referred to the Committee by the Board.

iii. Meeting and Minutes

- 1) The Committee shall meet as and when required upon request by the members, provided that the Committee shall meet at least once a year. If required, the MD, DMD or ED shall be invited to attend meetings of the Committee.
- 2) The Committee shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate at the cost of the Group.
- 3) The Company Secretary shall be the Secretary of the Committee.
- 4) The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts therein stated. The minutes of the Committee meeting shall be available to all Board members.
- 5) The Committee may deal with the matter by way of circular resolutions in lieu of convening a formal meeting for exceptional circumstances.
- 6) All recommendations of the Committee shall be submitted to the Board for approval.
- 7) The Committee, through its Chairman, shall report to the Board at the next Board meeting after each Committee meeting. When presenting any recommendation to the Board, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.
- 8) The Chairman shall be available to answer questions about the Committee's work at the AGM of the Group.

C) Terms of Reference of Remuneration Committee

The establishment of the Remuneration Committee ("RC") is to bring significant benefits to the Company by way of achieving a balance between setting the level and structure of the remuneration packages of the Directors so as to be able to attract and retain the best against its interest in not paying excessive remuneration. The RC is also responsible for ensuring that compensation and other benefits encourage the Directors to act in ways that enhance the Company's long-term profitability and value.

i. Composition

- 1) The RC shall have at least three (3) members with a majority of the members shall be Independent Non-Executive Directors.
- 2) The quorum for the RC shall be two (2) members.
- 3) The members of the RC shall elect one of their members as Chairman and to be approved by the Board.

- 4) The appointment of a Committee member terminates when the members cease to be a Director, or as determined by the Board.
- 5) In the event of equality of votes, the Chairman shall have a casting vote. In the absence of the Chairman, the members present shall elect one of their members to chair the meeting.
- 6) Where the members for any reason are reduced to less than three (3), the Board shall, within three (3) months of the event, appoint such member or new members as may be required to make up the minimum number of three (3) members.

ii. Duties and Responsibilities

The duties of the RC are as follows:

- 1) To review the Directors' Fees for the Group is reflective of the contribution of each individual Director. The determination of remuneration packages of Non-Executive Directors, including Non-Executive Chairman, should be a matter for the Board as a whole. The individuals concerned should abstain from participating in decisions regarding their own remuneration;
- 2) To establish and recommend the remuneration structure for MD, DMD and ED; the terms of employment or service contract and any compensation payable on the termination of service contract by the Company and/or the Group and to review for changes to the policy, as necessary;
- 3) To ensure that a strong link is maintained between the level of remuneration and individual performances with the performance-related elements of remuneration to form a significant proportion of the total remuneration package of MD, DMD and ED;
- 4) To review and recommend the entire individual remuneration packages for each of the MD, DMD and ED, where appropriate, including bonuses as well as their increments;
- 5) To review with the MD, DMD and ED, their goals and objectives and to assess their performance against these objectives as well as their contribution to the corporate strategy;
- 6) To advise on any major changes in employment benefits structure throughout the Group;
- 7) To consider other matters as referred to the Committee by the Board.

iii. Meeting and Minutes

- 1) The Committee shall meet as and when required upon request by the members, provided that the Committee shall meet at least once a year. If required, the MD, DMD and ED shall be invited to attend meetings of the Committee.
- 2) The Committee shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate at the cost of the Group.

- 3) The Company Secretary shall be the Secretary of the Committee.
- 4) The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts therein stated. The minutes of the Committee meeting shall be available to all Board members.
- 5) The Committee may deal with matter by way of circular resolutions in lieu of convening a formal meeting for exceptional circumstances.
- 6) All recommendations of the Committee shall be submitted to the Board for approval.
- 7) The Committee, through its Chairman, shall report to the Board at the next Board meeting after each Committee meeting. When presenting any recommendation to the Board, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.
- 8) The Chairman shall be available to answer questions about the Committee's work at the AGM of the Group.

Board Meetings

The Board shall meet at regular intervals throughout the year. At each scheduled meeting, the Board shall consider, where applicable:

- a. The financial results;
 - i. Approval for the release of financial announcements;
 - ii. Approval of Annual Report, Corporate Governance Report, Sustainability Statement and Financial Statements to be released to Bursa;
- b. Consider and, if deemed appropriate, declare or recommend the payment of Dividends to shareholders;
- c. Review the reports and recommendations of the ARC, NC and RC;
- d. Approve the quarterly report and quarterly financial statement as content for the announcement to Bursa to be used by the shareholders and the public;
- e. Matters which are reserved for its collective decision;
- f. Significant capital expenditure and acquisitions;
- g. Significant disposal of the Company or the Group's assets;
- h. Major issues and opportunities;
- i. Committee minutes/ Board Circular resolutions for notation;
- j. Changes in directorships and disclosure of interests;

- k. Disclosure of dealings by Directors/ principal officers; and
- l. Any other matter requiring its authority.

Access to Independent Professional Advice

In discharging the Directors' duties, each member of the Board is entitled to obtain independent professional advice at the cost of the Group.

The Company Secretary

The appointment and removal of Company Secretary of the Board shall be the decision of the Board upon recommendation by the MD, DMD or ED.

The Company Secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.

The Company Secretary manages processes pertaining to the annual shareholder meeting. The Company Secretary also monitors corporate governance developments and assists the Board in applying governance practices to meet the Board's needs and stakeholders' expectations.

4. RELATIONSHIP OF THE BOARD WITH MANAGEMENT

(a) Access to Management and Information

Board members should be given unrestricted access to the Group's Management and to the accurate and complete information pertaining to the Company and/ or the Group including from the Company and/ or the Group's auditors and consultants.

Board members must use proper judgement to ensure that the contact is not distracting to the business operations of the Group and the functioning of Management. Any such contact must be made through the MD, DMD or ED.

(b) Position of MD, DMD and ED

The Board will link the Group's governance and Management functions through the Chairman with the MD, DMD and ED. All Board authority conferred on Management is delegated through the MD, DMD and ED so that the authority and accountability of Management is considered to be the authority and accountability of the MD, DMD and ED so far as the Board is concerned.

(c) Accountability of MD, DMD and ED

The MD, DMD and ED are accountable to the Board for the achievement of the Company's and/ or the Group's goals and for the observance of the Management authorities.

The MD, DMD and ED shall be the head of the Management of the Group and in that capacity is answerable to the Board.

The key roles and functions of the MD, DMD and ED, amongst others, include:

- a. Ensuring the business survival by strategically anticipate the favourable and adverse market conditions based on all possible available information;
- b. Developing the strategic direction of the Group in line with the sustainable long-term financial results and increasing shareholder value, with proper social and environmental considerations;
- c. Ensuring that the Group's strategies and corporate policies are effectively implemented;
- d. Ensuring that Board decisions are implemented and Board directions are adhered to;
- e. Providing directions in the implementation of short and long-term business plan;
- f. Providing strong leadership, i.e. effectively communicating a vision, management philosophy and business strategy to the employees;
- g. Keeping Board fully informed of all important aspects of the Group's operations and ensuring sufficient information is distributed to the Board members;
- h. Ensuring high performance and productivity of senior management personnel by creating appropriate conditions for senior management personnel motivation, performance management and professional development;
- i. Ensuring compliance with all relevant legislation and regulations by reviewing policies and monitoring compliance;
- j. Developing and maintaining effective relations with significant agencies, investing public and other trade associations and institutions; and
- k. Ensuring the day-to-day business affairs of the Group is effectively managed.

(d) Management Authorities

The MD, DMD and ED are expected to act within all specific authorities delegated to him by the Board.

The assets of the Group are expected to be adequately maintained and protected and not unnecessarily placed at risk.

The MD, DMD and ED shall, within the specific authorities delegated to him by the Board to develop, steer and manage the Group to a greater height with support from the key management staff.

5. DIRECTORS' REMUNERATION

Upon recommendation by the RC on the Directors' remuneration, the Board would decide whether to accept or otherwise. A remuneration package deliberated by the RC would take into consideration the following areas:

- (a) attract, retain and motivate Directors that increases productivity and profitability in long run; and
- (b) achievement of desired goals and objectives.

A review of the fees for Non-Executive Directors should take into account fee levels and trends for similar positions in the market and also the Group's financial position in the market among its peers.

6. CORPORATE GOVERNANCE DISCLOSURE

The Board guided by the MMLR shall ensure to provide an overview of the application of the principles set out in the MCCG ("**Corporate Governance Overview Statement**") in the Company's Annual Report.

In addition, the application of each practice set out in the MCCG during the financial year must be disclosed to the Exchange in a prescribed format and announce the same together with the announcement of the annual report. The annual report must state the designated website link or address where such disclosure may be downloaded.

7. RELATIONSHIP OF THE BOARD WITH SHAREHOLDERS

(a) Encourage Shareholders Participation At General Meeting

In order to provide ample time for shareholders to attend any general meetings, notices are circulated and disseminate to all shareholders in accordance with the Company's Constitution. The Board of Directors is taking pro-active action to communicate with shareholders during the AGM and EGM. The shareholders are able to get adequate and accurate information by way of the constructive engagement allowing the shareholders to make informed decisions.

(b) Encourage Poll Voting

The Chairman encourages active participation by the shareholders during the AGM. All resolutions set out in the Notice of AGM must be voted by poll and the Company is also required to appoint at least one (1) independent scrutineer to validate the votes cast at the general meeting.

8. REVIEW OF BOARD COMMITTEES' TERMS OF REFERENCE

The Board Committees' Terms of Reference shall be reviewed periodically, once every three (3) years or as and when necessary. This review shall be facilitated by the Company Secretary, MD, DMD and ED where relevant.

9. REVIEW OF BOARD CHARTER

- a) The Board shall periodically review and update the Board Charter in accordance with the needs of the Group and any new regulations that may have impact on the discharge of the Board's responsibilities such as changes in MMLR, MCCG and CA2016. This review shall be facilitated by the Company Secretary, MD, DMD and ED and the Internal Auditors.
- b) Any updates to the principles and practices set out in this Board Charter shall be made available on the Company's website.

Approved by the Board of Directors on 11 June 2020.