

1.0 INTRODUCTION

The primary objective of the Company's Board Charter is to set out the roles and responsibilities of the Board of Directors ("Board").

The Board will regularly review this charter and the terms of reference of Board Committees to ensure they remain consistent with the Board's objectives and responsibilities, and relevant laws, regulations, guidelines and standards of corporate governance.

2.0 BOARD SIZE AND COMPOSITION

- a. The Board should comprise of individuals with character, experience, integrity, competence and time to effectively discharge their role as company Director. The composition and size of the Board is such that it facilitates the making of informed and critical decisions.
- b. The number of Directors shall not be less than two (2) and not more than fifteen (15). The appointment of Directors shall be recommended by the Nomination Committee and approved by the Board.
- c. At any one time, at least two or one-third (1/3), whichever is higher, of the Board members are independent Directors.
- d. The Board may appoint a Senior Independent Director to whom shareholders' concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or the Chief Executive Officer have failed to resolve them.

The Board shall appoint the Senior Independent Director as the Chairman of the Nomination Committee, unless a better candidate is available.

- e. The positions of Chairman of the Board and Chief Executive Officer should be held by different individuals.

3.0 BOARD RESPONSIBILITIES

The Board plays the role of stewards and guardians of the Group on behalf of the Shareholders and is the key in ensuring that Shareholders' interest are being protected. The Board takes full responsibility to guide the Group towards achieving its corporate objectives and enhancing Shareholders' value.

The Board should assume, amongst others, the following responsibilities:

- a. Ensures that the Group adheres to high standards of ethics and corporate behaviour;
- b. Reviewing and adopting a strategic plan for the Group;

- c. Regularly evaluating economic, environmental, social and governance issues and any other relevant external matters that may influence or affect the development of the business or the interests of the shareholders in ensuring that the Company's strategies promote sustainability;
- d. Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed;
- e. Establishing and maintaining sound risk management framework and internal control systems;
- f. Selecting, appointing and evaluating from time to time the performance of, and planning succession of the CEO;
- g. Reviewing the procedures for appointment of senior management and ensuring that succession planning of the senior management is in place;
- h. Promoting effective communication and proactive engagements within shareholders and other stakeholders;
- i. Ensuring there is a sound framework of reporting on internal controls and regulatory compliance;
- j. Ensuring its members have access to information, advice and appropriate continuing education programmes;
- k. Reviewing and approving formal and transparent remuneration policies and procedures to attract and retain Directors;
- l. Ensuring there is appropriate corporate disclosure policies procedures;
- m. Encouraging the usage of information technology in communicating with stakeholders;
- n. Promoting effective communication and proactive engagements with shareholders;
- o. Undertaking an assessment of the independent Directors annually; and
- p. Establishing highest standard of corporate governance and ensuring Shareholders' interest are safeguarded.

4.0 POSITION DESCRIPTION

4.1 CHAIRMAN

- a. The Chairman should:
 - i. Ensure the smooth functioning of the Board;
 - ii. Provide guidance and leadership to the Board;

- iii. Act as facilitator at meetings of the Board to ensure that no Directors, whether executive or non-executive, dominate discussion, that appropriate discussion takes place and that relevant opinion among Directors is forthcoming;
 - iv. Inculcate positive culture in the Board;
 - v. Ensure that all relevant issues are on agenda for Board meeting and all Directors are able to participate fully in the Board's activities;
 - vi. Ensure that the Board debates strategic and critical issues; and
 - vii. Ensure that the Board receives the necessary information on a timely basis from Management.
- b. The Chairman will have no casting vote if two (2) Directors form a quorum, or if there are only two (2) Directors competent to vote on the question at issue.

4.2 CHIEF EXECUTIVE OFFICER ("CEO")

- a. The CEO should:
- i. Be persons of high professional calibre, and unquestionable integrity;
 - ii. Directly responsible for the day-to-day operations of the Group;
 - iii. Familiar with the Group's performance, the adequacy of internal controls, risk management and compliance with legal requirements as well as current matters and policies affecting the industry in general;
 - iv. Devote full attention and time to their duties and responsibilities and be able to direct and supervise the Group effectively and responsibly;
 - v. At all times exercise professional skill, due care and diligence when performing his functions, exercising their powers or discharging his duties; and
 - vi. Provide guidance and leadership to Management.
- b. The key role of a CEO, amongst others, include:
- i. Developing the strategic direction of the Group;
 - ii. Ensuring that Board decisions are implemented and Board directions are responded to;
 - iii. Providing directions in the implementation of short and long-term business plans;

- iv. Providing strong leadership; i.e. effectively communicating a vision, management philosophy and business strategy to the employees;
- v. Keeping Board fully informed of all important aspects of the Company's operations and ensuring sufficient information is distributed to Board members; and
- vi. Ensuring day-to-day business affairs of the Group are effectively managed.

The sound operation of the Company depends critically on its CEO. Thus, he must be able to devote his full attention and time to be able to discharge his duties and responsibilities effectively and diligently.

As the CEO is directly responsible for the day-to-day operations of the Group, he must be familiar with the operations of the Company, the state of internal controls, requirements of regulations, as well as current issues and policies affecting the industry in general. He must also have the necessary knowledge and professional competence in the conduct of the Company's business.

In the absence of its CEO, the Board will appoint an appropriate person to lead Management in the running of the Group.

4.3 INDEPENDENT DIRECTOR

An independent Director should declare annually that he complies with the criteria as stated below.

- 1) He is independent of management and free from any business or other relationship, which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Group and; -
 - a. Is not an executive Director of the Group or any related corporation of the Group;
 - b. Has not been within the last 2 years and is not an officer (except as a non-executive Director) of the Group;
 - c. Is not a major shareholder of the Group;
 - d. Is not a family member of any executive Director, officer or major shareholder of the Group;
 - e. Is not acting as a nominee or representative of any executive Director or major shareholder of the Group;
 - f. Has not been engaged as an adviser by the Group under such circumstances as prescribed by the Exchange 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 under such circumstances as prescribed by the Exchange; or
 - g. Has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, Director or major shareholder, as the case may be, of a firm

or corporation (other than subsidiaries of the applicant or the listed corporation) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange.

- 2) An independent Director should:
 - i. Provide and enhance the necessary independence and objectivity to the Board;
 - ii. Ensure effective checks and balances on the Board;
 - iii. To mitigate any possible conflict of interest between the policy-making process and the day-to-day management of the Group;
 - iv. Constructively challenge and contribute to the development of business strategy and direction of the Group; and
 - v. To ensure that adequate systems and controls to safeguard the interests of the Group are in place.

5.0 BOARD APPOINTMENT

5.1 Nomination

The Board should ensure that the Directors and the senior management are of high calibre, sound judgment, high integrity and credibility as they are entrusted by the shareholders to manage and perform effectively.

All nominations of candidates for the positions of Directors and CEO must be submitted to the Nomination Committee for consideration. The Nomination Committee shall consider the following before recommending the candidates to the Board for approval:-

- i) Age limit
- ii) Work Experience
- iii) Qualifications
- iv) Personal Background
- v) Competencies
- vi) Directorship (shall hold not more than 5 Directorships in listed companies)

Directors should notify the Chairman of the Board before accepting any new Directorship, including an indication of time that will be spent on the new appointment.

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5.2 Re-election

All Directors are subject to retirement by rotation. In addition, at least one-third of the Board is subject to retire by rotation at each Annual General Meeting ("AGM"). The Directors to retire in each year are the Directors who have been the longest in office since their appointment or re-appointment. A retiring Director is eligible for re-election.

5.3 Retention/ Re-designation of an independent Director with cumulative term of more than nine (9) years

The tenure of an independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent Director may continue to serve on the Board subject to the Director's re-designation as a non-independent Director. The Board, upon recommendation of the Nomination Committee, shall justify and seek shareholders' approval in the event that it desires to retain a person who has served in that capacity for more than nine years as an independent Director.

Further, the long serving Director is required to declare to the Company annually that he complies with the criteria as stated in item 4.3 above.

6.0 BOARD/MANAGEMENT AUTHORITIES

The Board shall have the authority to approve transactions or activities which are beyond the individual discretionary powers of senior officers or management committees delegated by the Board as per the Approving Authority limits stipulated in the relevant policy manuals of respective operating units subject to the provision of the Articles of Association of the Company.

7.0 BOARD COMMITTEES

- a. The Board should establish and delegate certain duties to specialised Board Committees to oversee critical or major functional areas and to address matters, which require detailed review or in-depth consideration before tabling its recommendation to the Board.
- b. The Board has established the following Board Committees which operate within their specific terms of reference:-

- i. Nomination Committee

To provide a formal and transparent procedures for the appointment of Directors and to review the required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the Board, as well as annual assessment of effectiveness of individual Directors, Board Committees and Board as a whole, CEO, Chief Financial Officer and key senior management officers.

The Nomination Committee should comprise entirely Non-Executive Directors, with the majority of whom are independent.

- ii. Remuneration Committee

To provide a formal and transparent procedure for developing remuneration policy for Directors and the CEO, and ensuring that compensation is competitive and consistent with the Group's culture, objectives and strategy.

iii. Audit Committee

To provide independent oversight of the Group's financial reporting and risk management and internal control system and ensure checks and balances within the Group, and to ensure financial statements comply with applicable financial reporting standards.

To review and assess the suitability and independence of external auditors.

Duties and functions of the above-mentioned committees are provided in their respective terms of reference.

8.0 BOARD PROCEDURES

- a. The conduct of Directors will be consistent with their duties and responsibilities to the Company and, indirectly, to the shareholders. The Board will always act within any limitations imposed by the provisions of relevant laws and guidelines on its activities;
- b. Directors will use their best endeavours to attend Board meetings. Directors are expected to participate fully, and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board;
- c. Directors who are not able to attend a meeting will advise the Chairman at an earlier date as possible and confirm in writing to the Secretary;
- d. Board discussions will be open and constructive, recognising that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus of the Board but may, where considered necessary, call for a vote;
- e. All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law. Subject to legal and regulatory requirements the Board will decide the manner and timing of the publication of its decisions;
- f. Directors are expected to strictly observe confidentiality of the Company's information; and
- g. Directors are required to inform the Board of conflicts or potential conflict of interest that may have in relation to particular items of business or transaction. Subject to provisions of relevant laws and guidelines, these Directors shall abstain from deliberation and determination of those matters.

9.0 AUTHORITY

The Board shall within its terms of reference:

- a. Have complete, adequate and timely information prior to Board meetings and on an ongoing basis;

- b. Have the resources required to perform its duties;
- c. Have full and unrestricted access to any information pertaining to the Company;
- d. Have the authority to form management / sub-committee(s) if deemed necessary and fit;
- e. Have the authority to delegate any of its responsibilities to any person or committee(s) that is deemed fit;
- f. Have direct communication channels with employees, senior management personnel and relevant external parties; and
- g. Be able to obtain independent professional or other advice.

10.0 MEETINGS & MINUTES

Subject to relevant laws and guidelines, the following should be observed by the Board:-

- a. The Board shall meet on a quarterly basis, but in any event, no less than once in every three (3) months, or whenever deemed necessary;
- b. Individual Directors must attend at least 50% of the Board meetings held in each financial year or such other percentage as may be prescribed by the Listing Requirements;
- c. The quorum of the meetings shall be met pursuant to the Articles of Association of the Company;
- d. The Board is also allowed to carry out the resolution by way of circulation;
- e. The participation of the Director can be facilitated by means of video or telephone conferencing;
- f. Head of the respective division units and relevant management personnel may be invited to attend the Board meetings;
- g. The Company Secretary shall be appointed as Secretary of the Board Meeting and minutes of meetings shall be taken and documented; and
- h. Information should be supplied to the Directors at least three (3) days prior to the meeting in order for them to discharge their duties.

11.0 REMUNERATION OF DIRECTORS

- a. The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and

responsibilities involved, but without paying more than is necessary to achieve this goal.

- b. The level of remuneration for the executive Directors is determined by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar industry.
- c. Non-executive Directors are entitled to participate in the Company's Employee Share Options Scheme (ESOS) subject to approval at a general meeting. Non-executive Directors who participated in the ESOS are prohibited to sell, transfer or assign the shares within one (1) year from the date of offer of such options.
- d. No Director other than executive Directors shall have a service contract with the Company.
- e. A formal independent review of the Directors' remuneration is undertaken no less frequently than once every three (3) years.

12.0 BENEFICIAL INFLUENCE ON COMMUNITY

The Board has a continuing responsibility to the community to ensure that the Company's activities are conducive towards promoting the economic well-being of its community and are in line with government's economic objectives.