

NTPM HOLDINGS BERHAD

Registration No. 199601012313 (384662-U)
(Incorporated in Malaysia)

BOARD CHARTER

REVISED AND ADOPTED ON 13 MARCH 2023

NTPM HOLDINGS BERHAD

BOARD CHARTER

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Definition

In this Charter:

“Act” means the Companies Act 2016;

“AGM” means Annual General Meeting;

“Board” means the Board of Directors of the Company;

“Business” means the business of the Company;

“Bursa Securities” means Bursa Malaysia Securities Berhad

“Charter” means Board Charter adopted and amended by the Board from time to time;

“CG” means Corporate Governance;

“Chairman” means the Chairman of the Board and is used in a gender-neutral sense;

“Company Goals” means the goals of the Company as set out in Part 3 of the Charter;

“Directors” means Directors of the Company as defined under the Act;

“Management” means the management personnel of the Company;

“Management Limitations” means the limitations on the actions of Management as set out in paragraph 6.3 of the Charter;

“MCCG 2021” means the Malaysian Code on Corporate Governance 2021;

“MD/CEO” means the Managing Director / Chief Executive Officer of the Company;

“MMLR” means the Main Market Listing Requirements of Bursa Securities;

“NTPM” or “Company” means NTPM Holdings Berhad;

“NTPM Group” or “Group” means the companies within the Company and its subsidiaries;

“Secretary” means the Company Secretary(ies) as provided under Subdivision 4 of Division 2 of the Act;

“Shareholders” means the shareholders of the Company.

Part 1. INTRODUCTION

The Board of NTPM Holdings Berhad has overall responsibility for the proper conduct of the Company's business and assumes responsibility for effective stewardship and control of the assets of the Company and its Group and is a key decision-making body of the Company.

The Board recognises Corporate Governance as being vital and important to the success of the businesses of NTPM and its Group businesses. They are unreservedly committed to applying the requisite policies necessary to ensure that the principles of good governance are practiced in all of its corporate and business dealings.

The Board plays the role of stewardship and guardian of the Company and is instrumental in keeping with the best CG standards. To this end, a Charter has been developed and adopted by the Board.

Part 2. OBJECTIVES

The Charter lays down clearly the responsibilities, functions and terms of reference within which the Board, Board Committees and individual Directors play their roles distinct from the Management. Its essence is as follows:

- it is subject to the provisions of relevant legislations, regulations, MCCG 2021 and other codes of conduct and the Company's Constitution;
- it sets out the duties and processes of the Board which all Board members are to be aware of;
- it will act as a source of reference to prospective Board members;
- it is a means of providing Directors serving and coming on board, clarity as to their roles and responsibilities and principal matters reserved for the Board, the Board Committees and as to the different roles they as Directors; and
- the process by which the Board and Board Committees function including the scheduling, calling and convening of Board meetings and other matters affecting their affairs and for them to play an effective role.

This Charter is not an "all inclusive" document and should be read as a broad expression of principles. The Charter will be reviewed on a periodic basis and may be amended by the Board from time to time to ensure that the practices of the Board are consistent with the prevailing code of CG, laws and/or regulations and reflect the Board's commitment to best practice in CG.

Part 3. COMPANY GOALS

The Company has in place a Vision and Mission and is guided by certain Core Values which the organisation strives towards. It subscribes to values of good governance and responsible corporate conduct/behaviours and aims to achieve excellence in its business, operational and corporate dealings.

3.1 The Group Vision, Mission & Core Values

Mission

- We aspire to be a world-class manufacturer and distributor for a diversified range of consumer products.
- We are confident of providing consumers with good quality and good value products based on our current market reputation, wide customer base and extensive distribution networks.
- Our sales and marketing teams are passionate in developing leading brands with significant market shares in each of the product segment undertaken.
- We will continuously enhance the knowledge and skills of our people, improve the processes and management systems and elevate the working environment to a higher standard.
- We want to be a good employer and neighbour.

Vision

To be a world-class paper products manufacturer and market leader in fast-moving consumer goods by providing quality products that consistently satisfy the needs and expectations of customers.

Core Values

- **Believing in God**
We uphold the principle and good teaching of God in our business actions and decisions. We embrace the human values of Truth, Right Conduct, Peace, Compassion and Love.
- **Leadership**
Inspire corporate vision and work as a team. Manage with hands-on involvement, emphasizing on continuous improvement, and in-depth understanding of company operations.
- **Integrity**
A leader must be honest, sincere, fair and just. Consistently communicate the true message from the heart.

- **Passion**
We are enthusiastic and knowledgeable in our business pursuit and always strive for the best.
- **Trust**
We mutually believe in each other giving their level best.
- **Customer Focus**
Appreciate and be grateful towards our customers. To be proactive and responsive to customers' feedback and comment and refer them as part of our continuous improvement.
- **Caring**
We care about employees' welfare, our society and environment.
- **Ownership**
We recognise each individual in the organisation as our company stakeholder, and we believe emphasis of ownership leads everyone to value and treasure the Group's assets like their own.

3.2 Guidance for the Board

- (a) In order to achieve the Group Vision, the Board shall, among others: -
- together with senior Management, promote good corporate governance culture within the company which reinforces ethical, prudent and professional behaviour;
 - review, challenge and decide on Management's proposals for the company, and monitor implementation by Management;
 - ensure that the strategic plan of the company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
 - supervise and assess management performance to determine whether the business is being properly managed;
 - ensure there is a sound framework for internal controls and risk management;
 - understand the principal risks of the company's business and recognise that business decisions involve the taking of appropriate risks;

- set the risk appetite within which the Board expects 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;
 - ensure that senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and senior Management;
 - ensure that the Company has in place procedures to enable effective communication with stakeholders; and
 - ensure the integrity of the Company's financial and non-financial reporting.
- (b) The capital and resources of the Company will be allocated to those assets and activities which will enable the Company to achieve the Company Goals in the best interest of the Company.

Part 4. BOARD GOVERNANCE PROCESS

4.1 Responsibilities of the Board

4.1.1 Powers of the Board

The Board has all the powers necessary for managing and for directing and supervising the management of the business and affairs of the Company as prescribed under the Act and the Company's Constitution subject to any modifications, exceptions or limitations contained in the Act or the Constitution.

In exercising their powers, Directors should have regard to Section 213 of the Act which states that a Director of a Company shall at all times:

- exercise his powers for a proper purpose and in good faith in the best interest of the Company;
- exercise reasonable care, skill and diligence with the knowledge, skill and experience which may reasonably be expected of a Director having the same responsibilities and
- apply any additional knowledge, skill and experience which the Director in fact has.

In addition to the above, in exercising his powers, a Director should also have regard to the following:

- Use of good business judgment;
- Proper and good reliance on information provided by others;
- His responsibility as Director;
- His responsibility for actions of delegate; and
- Prohibition against improper use of the Company's property, position, corporate opportunity or competing with the Company.

4.1.2 Role of the Board

The Board is charged with leading and managing the Group in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Group. The Directors are, collectively and individually, aware of their responsibilities to the Shareholders and stakeholders for the manner in which the affairs of the Company are managed. The Board sets the Group's values and standards and ensures that its obligations to its Shareholders and stakeholders are understood and met.

The Board understands that the responsibility for good corporate governance rests with them and therefore strives to follow the principles and best practices stated in the MCCG 2021.

The Board establishes the corporate vision and mission, as well as the philosophy of the Company, setting the aims of the Management and monitoring the performance of the Management.

In performing and discharging its responsibilities and facilitating its ongoing oversight of the Company, the Board's role includes, but is not limited to the matters in this section.

Having regard to its role, the Board will direct and supervise the Management, the Business and affairs of the Company including, in particular:

- reviewing and adopting a strategic plan for the Company, including establishing Company Goals and ensuring that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environment and social considerations underpinning sustainability;
- establishing policies for strengthening the performance of the Company including ensuring that Management is proactively seeking to build the

Business through innovation, initiative, technology, new products and the development of its business capital;

- identifying principal risks, set the risk appetite within which the Board expects the Management to operate and ensuring the implementation of appropriate systems to manage the significant financial and non-financial risks and ensuring there is a sound framework for internal controls and risk management;
- ensuring that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of board and senior management;
- reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- ensuring that the Company's financial statements are true and fair and conform with any applicable laws and/or regulations; and
- ensuring that the Company adheres to high standards of ethics and corporate behavior;
- together with senior management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behavior;
- review, challenge and decide on the Management's proposals for the Company, and monitor its implementation by the Management;
- supervise and assess management performance to determine whether the business is being properly managed; and
- ensure the Company has in place procedures to enable effective communication with the stakeholders.
- overseeing the Sustainability Risk and Opportunities, in particular:
 - (a) Setting the Group's sustainability strategies, priorities and targets;

- (b) Ensure the Group's sustainability strategies, priorities, targets and performance are communicated to its internal and external stakeholders;
- (c) To stay abreast with and understand the sustainability issues relevant to the Group and its businesses, including climate-related risks and opportunities.

In the normal course of events, day-to-day management of the Company will be in the hands of Management and under the stewardship of the MD/ CEO.

The Board will satisfy itself that the Company is achieving the Company Goals.

Recommended changes may be made from time to time to suit the circumstances or changes in governing regulations.

4.1.3 Board Procedures

The conduct of Directors will be consistent with their duties and responsibilities to the Company and, indirectly, to Shareholders. The Board will be disciplined in carrying out its role, with the emphasis on strategic issues and policy. Directors will always act within any limitations imposed by the Board on its activities.

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. Directors who are unable to attend a meeting will advise the Chairman at the earliest date possible and notify/confirm his/her absence in writing to the Secretary.

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 in the Board but may, where considered necessary, call for a vote. 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 or regulatory requirements, the Board will decide the manner and timing of the publication of its decisions.

Executive Directors will attend Board meetings to discharge their Board responsibilities. At Board meetings, the Board's responsibilities supersede all executive responsibilities.

The Board has sole authority over its agenda and exercises this through the Chairman of the Board. Any Director may, through the Chairman, request the addition of an item to the agenda.

The Board will normally hold meetings at least four (4) times in each financial year and will hold additional meetings as the situation requires. At each meeting, the Board will consider: -

- an operational report from the Management;
- a report on the financial performance;
- specific proposals for capital expenditure and acquisitions;
- major issues and opportunities for the Company; and
- approve the quarterly financial statements for announcement to authorities.

In addition, the Board will at intervals of not more than one (1) year: -

- review the following year's business plan and approve the annual budget;
- approve annual financial statements, other reports to shareholders and public announcements;
- consider and, if appropriate, declare or recommend the payment of dividends;
- review the Company's audit requirements;
- review the performance of, necessity for and composition of Board committees;
- undertake Board and individual Director evaluations;
- review Directors' remuneration;
- review risk assessment policies and controls and compliance with legal and regulatory requirements;
- review the following year's business plan.

Directors are entitled to have access to all relevant company information and to Management at all reasonable times.

Directors are expected to strictly observe the confidentiality of the Company's information. Directors are refrained from making improper use of information gained through the position of director for their own interest, or their employers' interest, if applicable.

In setting policies, the Board will not reach specific decisions unless it has considered the general principles upon which they are founded, and in reaching other specific decisions the Board will consider the policies against which the decisions are made.

4.1.4 Division of Roles and Responsibilities

Role of Individual Directors

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

- a) acting in good faith and in the best interests of the Company as a whole;
- b) acting with care and diligence and for a proper purpose;
- c) avoiding conflicts of interest with the Company in a personal or professional capacity; and
- d) refraining from making improper use of information gained through the position of director and from taking improper advantage of the position of director.

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

Each Director shall commit the time to attend at least 50% of all Board Meetings and Board Committee Meetings where he/she is part of the Board Committee in any applicable financial year with appropriate leave of absence notified to the respective Chairman of the Board or Board Committee.

Each Director shall commit to provide his/her relevant expertise and advice in the best interest of the Company.

Each Director shall abide by all duties and responsibilities of a director as prescribed under Subdivision 3 of Division 2 of the Act and the MMLR.

Role of Senior Independent Director

The Board shall appoint a Senior Independent Director whose role is to act as: -

- a sounding board for the Chairman;
- an intermediary for other directors when necessary; and
- the point of contact for shareholders and other stakeholders.

Role of Chairman

The Board will appoint a Chairman from amongst the Directors, who is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board.

The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role.

Key responsibilities of the Chairman include: -

- a) leading the Board in setting the values and standards of the Company so that the Board can perform its responsibilities effectively;
- b) maintaining a relationship of trust with and between the Executive and Non-Executive Directors;
- c) ensuring the provision of accurate, timely and clear information to Directors;
- d) ensuring effective communication with shareholders and relevant stakeholders and that their views are communicated to the board as a whole;
- e) arranging regular evaluation of the performance of the Board, its Committees and individual Directors;
- f) facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors;
- g) facilitating the ongoing development of all Directors;
- h) leading Board meetings and discussions;
- i) encouraging active participation and allowing dissenting views to be freely expressed;
- j) leading the Board in establishing and monitoring good corporate governance practices in the company.

The positions of the Chairman and MD/CEO are held by two (2) different individuals to promote accountability and facilitate the division of responsibilities between them. In this regard, no one individual can influence the Board's discussions and decision-making. Generally, the Chairman would lead the Board in its collective oversight of management, while the MD/CEO focuses on the business and day-to-day management of the Company.

The Chairman, in consultation with the MD/CEO and the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda.

The Chairman ensures orderly conduct and proceedings of the Board and general meetings and is responsible for managing the business of the Board to ensure that: -

- a) all Directors are properly briefed on issues arising at Board meetings.
- b) sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion.

The Board communicates with Shareholders at Shareholders' meetings and through the distribution of its annual reports. The Chairman will chair these meetings and inform the Shareholders on the Company's affairs. This role calls for skills and qualities that allow and encourage shareholders to express their opinions. The Chairman should possess the capability to summarise and unify thoughts and ideas as well as to manage the meeting effectively.

The Chairman also leads the role in presenting the Company's cause, whether formally or informally, to the authorities, institutional or potential investors and those having an influence on the environment in which the Company operates.

Should the Chairman be absent from a meeting, the members of the Board present at the meeting, may choose one of their number to chair the said meeting.

Group MD and Group CEO

The MD and CEO are primarily accountable for overseeing the day-to-day operations to ensure the smooth and effective running of the Group.

The MD and CEO are responsible for the development and implementation of the strategies for the Group and setting the overall strategic policy and direction of the Group's business operations based on effective risk management controls.

The MD and CEO ensure that the financial management practice is performed at the highest level of integrity and transparency and that the business and affairs of the Group are carried out in an ethical manner and in compliance with the relevant laws and regulations.

The MD and CEO provide effective leadership to the Group and is responsible for ensuring high management competency and that an effective management succession plan is in place to sustain the continuity of operations.

The MD and CEO are the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions.

The MD and CEO implement the policies, strategies and decisions adopted by the Board. All Board authorities conferred on the Management are delegated through the MD and/or CEO and this will be considered as the MD and CEO's authority and accountability.

4.1.5 Role of Board Committees

Board Committees will be formed only when it is efficient or necessary to facilitate efficient decision-making.

Board Committees will observe the same rules of conduct and procedures as the Board unless the Board determines otherwise in a separate Terms of Reference.

The Board has established the following Board Committees, each with clearly defined Terms of Reference as annexed to this Charter, in order to enhance business and corporate efficiency and effectiveness: -

- ❖ Audit Committee
- ❖ Nominating Committee
- ❖ Risk Management Committee
- ❖ Investment Committee

4.2. COMPOSITION AND BOARD BALANCE

4.2.1 Size and Composition

The Board recognises the importance of ensuring a balance of power and authority between the Chairman and the MD/CEO with a clear division of responsibility between the running of the Board and the Company's business respectively. The positions of Chairman (i.e. Executive/Non-Executive Chairman) and MD/CEO are separated and clearly defined.

The Board consists of qualified individuals with diverse experiences, backgrounds and perspectives. The composition and size of the Board is such that it facilitates the making of informed and critical decisions.

At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members are Independent Directors, and at least one (1) Director is a woman.

4.2.2 Nomination and Appointments

The appointment of a new Director to the Board will be done in line with the Company's Constitution and is a matter for consideration and decision by the full Board upon appropriate recommendation of the Nominating Committee. The Nominating Committee must also perform a thorough and comprehensive fit and proper assessment of the candidate in accordance with the Company's Fit and Proper Policy.

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

In making its recommendations, the Nomination Committee shall identify the existing gaps, consider the candidates' skills, knowledge, qualities, expertise and

experience, professionalism, integrity, time commitment, contribution, Boardroom diversity including gender, skills, experience, age, cultural background and other factors that will best qualify a nominee to serve on the Board. Once a candidate is selected for the said position, the Nomination Committee is to conduct a fit and proper assessment determining the candidates' ability to discharge such responsibilities/ functions as are expected before interacting with the candidate(s). From there, Nomination Committee will then deliberate and make its recommendations to the Board.

Upon the appointment of a new Director, the Company Secretary advises the Director of his/her principal duties and responsibilities and explains the restrictions to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities. Thereafter, all Directors are provided with appropriate briefings on the Company's affairs and up-to-date corporate governance materials published by the relevant bodies.

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

- (a) The Charter;
- (b) Constitution;
- (c) Board Committees' composition and Terms of Reference;
- (d) Latest Annual Reports and Financial Statements; and
- (e) Any other documents deemed necessary by the Board.

The appointment of Board and senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender as referenced to the Directors' Fit and Proper Policy of the Company.

The Board should use a variety of approaches and sources to ensure that it is able to identify the most suitable candidates. This may include sourcing from a directors' registry and open advertisements or the use of independent search firms.

The Board should ensure the shareholders have the information they require to make an informed decision on the appointment and reappointment of a Director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole. The Board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why. The information should be included in the notes accompanying the notice of the general meeting.

4.2.3 Rotation and Retirement

At the annual general meeting in every year, one-third of the Directors for the time being or, if their number is not 3 or a multiple of 3, then the number nearest to one-third, shall retire from office PROVIDED ALWAYS that all Directors including Managing Director and Executive Directors shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring Director shall retain office until the conclusion of the annual general meeting at which he retires. Election of Directors shall take place each year at the Company's annual general meeting subject as mentioned.

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between Directors of equal seniority, the Directors to retire shall (unless they otherwise agree among themselves) be determined from among them by lot.

4.2.4 Independence

An Independent Non-Executive Director is independent of management and free of any significant business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement, and who otherwise meet the criteria for independence.

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

The Independent Directors help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

The views of the Independent Directors should carry significant weight in the Board's decision-making process.

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

4.2.5 Tenure of Independent Director

The tenure of an Independent Director shall not exceed a cumulative term of twelve (12) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve on Board subject to his/her re-designation as Non-Independent Director.

In the event that the Board intends to continue retaining the Independent Director after the completion of his/her ninth (9th) year of service as an Independent Director, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process as guided by the MCCG 2021, as follows: -

Tier 1: Only the Large Shareholder(s) of the Company, votes*

Tier 2: Shareholders other than Large Shareholder(s) votes

Large Shareholder means a person who –

- (a) is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in the Company;
- (b) is the largest shareholder of voting shares in the Company;
- (c) has the power to appoint or cause to be appointed a majority of directors of the Company; or
- (d) has the power to make or cause to be made, decisions in respect of the business or administration of the Company, and to give such effect to such decisions or cause them to be given effect to.

The decision for the resolution is determined based on the simple majority of votes of Tier 1, and a simple majority of votes of Tier 2. The resolution is deemed successful if both Tier 1 and Tier 2 votes support the resolution. The resolution is deemed defeated where the vote between the two tiers differs or where Tier 1 voter(s) abstained from voting.

The Board will undertake a rigorous review to determine whether the 'independence' of the director has been impaired to justify retaining an Independent Director beyond the cumulative term limit of nine (9) years.

4.2.6 Vacation of Office

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

- (a) resigns by giving written notice to the Company at its registered office;
- (b) has retired in accordance with the provision of the Act or the Constitution of the Company but is not re-elected;

- (c) is removed from office in accordance with the Act or the Constitution of the Company;
- (d) becomes disqualified from being a director under Sections 198 or 199 of the Act;
- (e) 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 [*Act 615*];
- (f) dies; or
- (g) otherwise vacates his office in accordance with the Constitution of the Company.

If the office of a Director is vacated for any reason, he shall cease to be a member of any committee or sub-committee of the Board.

4.2.7 Removal

The Company may by ordinary resolution of which special notice has been given, remove any Director before the expiration of his period of office, pursuant the Act, notwithstanding any provisions of the Constitution or of any agreement between the Company and such Director but without prejudice to any claim he may have for damages for breach of any such agreement. The Company may by ordinary resolution appoint another person in place of a Director so removed from office and any person so appointed shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy so arising may be filled by the Directors as a casual vacancy.

4.2.8 Annual Assessment

The Board, Board Committees' and Directors' performance will be assessed annually based on the expectations set out in this Charter. With the various positions held by each Director on the Board and Board Committees and the roles the different Board Committees play, they are expected to meet the expectations set for each position as these are crucial to the long-term success of the Company.

The Board may undertake this assessment internally or through the engagement of external professional consultants to develop the criteria for such assessment as recommended by the Nominating Committee. The Board has also adopted a policy and procedure and criteria for the assessment of the independence of Independent Directors. The policy and procedure also provide for assessment to be undertaken when new members are to be appointed to the Board in an independent capacity, prior to their appointment. The policy and criteria will be reviewed from time to time.

4.2.9 Shareholdings by Board Members in the Company

Board members may hold shares in the Company. In any dealings by a Board member, be it buying, selling or transfer to third party, Board members must strictly observe the disclosure requirements and/or provisions under the Act, MMLR and all other relevant legislative and regulatory requirements.

A list of the Directors' Dealings for the applicable financial period shall be tabled by the Secretary at every quarterly Board Meeting of the Company whereupon the Board members are obliged to verify/confirm their prevailing shareholdings and movement of shareholdings.

4.2.10 Provision of Business or Professional Services by Directors

Directors shall not provide business or professional services of an ongoing nature to the Company.

Notwithstanding the above provision, the Company is at liberty to:

- engage the services of any Director having special expertise in the particular field for the purpose of a special assignment; or
- engage the services of a party related to a Director of an organisation,

so long as the terms of engagement are competitive, clearly recorded and all legal requirements for disclosure of the engagement are properly observed.

4.2.11 Board Appointment in Other Companies

Directors are expected to devote sufficient time and attention to the affairs of the Company. Any Director is, while holding office, at liberty to accept other Board appointment(s) in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his duty as a Director of the Company.

Prior to the acceptance of new Board appointment(s) in other companies, the Directors should notify the Chairman of the Board and/or the Secretary. The said notification should include an indication of the time that will be spent on the new appointment.

4.3 Secretary

The appointment and removal of the Secretary shall be a matter of the Board as a whole.

The Board is supported by a suitably qualified and competent Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate the adoption of corporate governance best practices.

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

- Manage all board and committee meeting logistics, attend and record minutes of all board and committee meetings and facilitate board communications;
- Advise the board on its roles and responsibilities;
- Facilitate the orientation of new directors and assist in director training and development;
- Advise the board on corporate disclosures and compliance with company and securities regulations and MMLR;
- Manage processes pertaining to the annual shareholder meeting;
- Monitor corporate governance developments and assist the Board in applying governance practices to meet the board's needs and stakeholders' expectations; and
- Serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

All Directors, particularly the Chairman, have access to the advice and services of the Secretary(ies) for the purposes of the Board's affairs.

Part 5. DIRECTORS' TRAINING AND DEVELOPMENT

The Board encourages Directors to attend educational/training programmes to keep themselves abreast of and updated in relation to new developments pertaining to the laws and regulations and changing commercial environment and risks which may affect the Board and/or the Company.

In addition to the mandatory accreditation programmes ("MAP") as required by the Bursa Securities, Board members are encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Company's operations and business. The Board will assess the training needs of the Directors and ensure Directors have access to a continuing education programme.

All newly appointed Board members shall undergo a formal induction and continuous education programme to ensure that they understand:

- their roles and responsibilities;
- the Board's expectation in terms of their knowledge contribution;
- the nature of the Group's business;
- current issues faced; and
- strategies adopted by the Group.

All trainings attended by Directors shall be disclosed in the Annual Report. In special circumstances, valid justifications for non-attendance at any of the trainings shall also be disclosed.

Part 6. BOARD-MANAGEMENT RELATIONSHIP

6.1 MD/CEO

The Board will link the Company's governance and management functions through the MD/CEO.

All Board authority conferred on Management is delegated through the MD/CEO so that the authority and accountability of the Management are considered to be the authority and accountability of the MD/CEO in so far as the Board is concerned.

The MD/CEO is expected to keep the Board informed on all matters which may materially affect the Company and its business.

Only decisions of the Board acting as a body are binding on the MD/CEO. Decisions or instructions of individual Directors, officers or committees are not binding except in instances where specific authorisation is given by the Board.

6.2 Accountability of MD/CEO to Board

The MD/CEO, is accountable to the Board for the achievement of the Company Goals and the observance of the Management Limitations.

At each of its quarterly meetings, the Board should receive from or through the MD/CEO: -

- the operational and other reports and proposals referred to in paragraph 4.1.3; and

- such assurances as the Board deems necessary to confirm that the Management Limitations are being observed.

6.3 Management Limitations

The MD/CEO is expected to act within all specific authorities delegated to him/her by the Board.

The MD/CEO is expected not to cause or permit any practice, activity or decision that is contrary to generally accepted good business practice or professional ethics.

The MD/CEO is expected to take into consideration the Company Goals in allocating the capital and resources of the Company.

The MD/CEO is expected not to cause or permit any action without taking into account the health, safety, environment and political consequences and their effect on long-term shareholder value.

The MD/CEO is expected not to cause or permit any action that is likely to result in financial distress of the Company.

The MD/CEO is expected to ensure the assets of the Company are adequately maintained and protected, and not unnecessarily placed at risk. In particular, the Company must be operated with a comprehensive system of internal control, and assets of funds must not be received, processed or disbursed without controls that, as a minimum, are sufficient to meet standards acceptable to the Company's external auditors.

The MD/CEO is expected not to permit the employees and any other parties working for the Company to be subject to treatment or conditions that are undignified, inequitable, unfair or unsafe.

The MD/CEO is expected not to cause or permit payments to be made or rewards given unless they are in return for contributions towards the purposes of the Business and are proportional to the extent that the contribution in question has furthered such purposes.

Part 7. MEETINGS

7.1 Board Meetings

7.1.1 Calling of Meetings

A Director may, and the Secretary at the request of a Director shall, summon a meeting of the Directors at any time provided reasonable notice is given. Regular meetings are scheduled upfront.

7.1.2 Notice of Meetings

Notice of a meeting of the Directors is deemed to be duly given to a Director if it is given to him personally or by electronic communication to an address given by him to the Company for that purpose or sent in writing to him at his last-known address or another address given by him to the Company for that purpose. A Director may waive the requirement that notice be given to him of a meeting of the Directors, either prospectively or retrospectively provided that the waiver is made and signed by the Director in writing.

7.1.3 Schedule and Frequency of Meetings

Board meetings are scheduled in advance to enable the Board members to confirm their attendance and to plan their schedules accordingly.

The Board meets at least four times a year, with additional meetings convened when decisions on urgent matters are required between scheduled meetings. Upon consultation with the Chairman and the MD or CEO, due notice is given to all Directors of all meetings.

7.1.4 Supply of Papers

Regular and ad-hoc reports are provided to all Directors to ensure that they are apprised on key strategic, financial, business, operational, legal, regulatory, corporate human resource and social responsibility matters in a timely manner and to enable them to make meaningful and effective decisions. Procedures have been established concerning the presentation and delivery of papers/meeting materials should be circulated at least five days in advance of the board meeting for each Board and Board Committee meetings as well as for matters arising from such meetings.

The Company Secretary assists in the management and coordination of this process.

Actions on all matters arising from any meeting are reported at the following meeting. The Directors also have access to the Company Secretary and any advisor, should they need to do so.

7.1.5 Quorum of Board Meetings

The quorum necessary for the transaction of the business of the Directors shall be two (2).

7.1.6 Attendance at Board Meetings and Time Commitment

All Directors have to comply with the requirement of attendance at a minimum of 50% attendance at Board meetings as provided for in the MMLR.

All Directors must demonstrate their commitment to the business of the Board and Board Committees and affairs of the Company, by making time for all meetings and key events, towards fulfilling their roles and responsibilities as Directors of the Company. Commitment to the time necessary to carry out their duties as Directors will be a condition of their appointment.

7.1.7 Proceedings

The Directors may meet together for the despatch of business at such time and place, adjourn and otherwise regulate their meetings and proceeding as they think fit. A Director may at any time summon a meeting of the Directors.

7.1.8 Decision Making and Circular Resolutions

All strategic decisions and business decisions are made at Board Meetings after due processes, discussions and deliberations.

Where appropriate, decisions may also be taken by way of circular resolutions in between Scheduled meetings. Such resolutions are signed by all the Directors (other than those who may have an interest or conflict with the matter being decided upon) and valid as if it has been passed at a Board Meeting duly called and constituted.

All such resolutions shall be described as "Directors' Resolution in Writing" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by the Secretary in the Company's Minutes Book. Any such resolution may consist of several documents in like form, each signed by one or more Directors or their alternates.

7.1.9 Voting

Any questions arising at a Board Meeting is decided by a simple majority of votes. A Director is required to abstain from deliberations and voting in respect of any contract or proposed contract or arrangement or transaction in which he / she has direct or indirect interest. A Director may cast a dissenting vote and the minutes should properly record any dissenting views or vote of such Director.

7.1.10 Board Committee Meetings

The Board Committees generally meet quarterly or as prescribed under their respective Terms of Reference, at the minimum unless any Committee decides to meet more frequently as deemed necessary, to deliberate on matters under their purview. Board Committees which meet quarterly, normally hold their meetings at least one day before or on the same day as the quarterly scheduled Board meetings.

7.1.11. Minutes

The Directors shall cause minutes to be duly entered in books provided for the purpose –

- a) of all appointments of managers and secretaries;
- b) of the names of all the Directors present at each meeting of the Directors and of any Committee of Directors and of the Company in general meeting;
- c) of all resolutions and proceedings of general meetings and of meetings of the Directors and Committees of Directors; and
- d) of all orders made by the Directors and any Committee of Directors.

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 of the proceedings to which it relates without any further proof of the facts thereon stated. The minutes shall be maintained by the Company Secretary.

Part 8. BOARD-SHAREHOLDERS RELATIONSHIP

8.1 Conduct of General Meetings

The Board regards the Annual General Meeting (“AGM”) as an important event in the corporate calendar of which all Directors and key senior executives should attend in order to provide an opportunity for the shareholders to effectively engage with each Director and key senior executives.

The Company regards the AGM as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.

The Chairman and, where appropriate, the MD/CEO responds to shareholders' queries during the meeting. Where necessary, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered at the meeting.

The Board should ensure that shareholders are given sufficient notice and time to consider the resolutions that will be discussed and decided at the General Meeting.

All general meetings would be conducted via poll voting.

8.2 Communication

- The shareholders must be informed of all material business matters affecting the Company.
- The Board ensures timely release of financial results on a quarterly basis and other major developments to provide the Shareholders with an overview of the Company's performance and operations.
- All relevant press releases should be vetted through by the MD/CEO and/or the Secretary to ensure that information that has yet to be released to Bursa Securities is not released to the press beforehand.
- The Board ensures that the views of the majority shareholders are considered in its decision making. In addition, the minorities' interest should also be adequately protected.
- The Board should ensure the Company leverage on information technology for effective dissemination of information and the Company's websites to provide easy access to corporate information pertaining to the Company and its activities and is continuously updated.

Part 9. STAKEHOLDERS RELATIONSHIP

9.1 Stakeholders

In the course of pursuing the Company Goals, the Board recognises that no company can exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration. The Board must balance and manage the economic impact of the stakeholders' conflicting interests on the shareholders' value.

9.2 Corporate Responsibility

As a socially-responsible corporate citizen, the Board is committed to social and environment sustainability. This fundamental Corporate Responsibility is advocated by the Board and intensively nurtured and practiced by Management with firm commitment to three (3) major stakeholders: -

(a) Employees

The Board acknowledges that the employees are invaluable assets of the Company and play a vital role in achieving the Company Goals.

The Board is committed to ensure the Management to build a company where employees are happy to work, confident and take pride as part of the Company.

(b) Customer

The Board is committed to ensure the Management place the highest regards in relation to the safety and quality of products. Management to improve its products and services in order to achieve the highest customer satisfaction.

(c) Environment

The Board is committed to ensure the Management preserve and enhance the society's quality of life by improving the Company's activities in order to sustain the environment in all areas of the Company's operations.

Part 10. DISCLOSURE BY DIRECTORS

Directors shall take cognizance of all disclosure obligations.

10.1 Conflict of Interest

In respect of potential conflicts of interest, the Board must be comfortable that there is no undue risk involved and that all conflicts and related party transactions are disclosed and are strictly dealt with in accordance with the provisions of the Act and MMLR.

The Act requires directors to act honestly and use reasonable diligence in the discharge of their duties at all times. It further prohibits the improper use of information obtained by virtue of their position as directors to obtain, directly or indirectly, an advantage for themselves or for others, or to cause harm to the Company.

Directors also owe fiduciary duties to the Company to:

- (a) act in good faith in the company's interests;
- (b) exercise due care and skill in the discharge of their duties; and
- (c) avoid conflict between their duties and their private interests, among other things.

The Act and the MMLR subject the Directors to disclosure requirements.

Every Director shall comply with the provisions of Sections 221 and 219 of the Act in connection with the disclosure of his/her interest contracts or proposed contract with the Company and in connection with the disclosure of the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly, duties or interests might be created in conflict with his duty or interest as a Director of the Company as well as any interest or changes in shares or options of the Company or personal particulars of the Director.

10.2 Related Party Relationships

Directors must disclose the name(s) of any related party and nature of the related party relationship where conflict exists, irrespective of whether or not there have been transactions between the related parties.

If there have been transactions between related parties, during the existence of a related party relationship, Directors must disclose the following among others:

- (a) the name of the transacting related party;
- (b) a description of the relationship between the parties; a description of the

- nature of transactions;
- (c) value of the transactions either as an amount or as an appropriate proportion;
- (d) any other elements of the related party transactions necessary for an understanding of the financial statements;
- (e) amounts written of or written back in the period in respect of debts due from or to related parties.

10.3 Dealings and Interest in Securities

Substantial shareholders, Directors and senior executives of the Company are regarded as insiders under the Act, the MMLR and/or the Capital Markets and Services Act 2007, and are prohibited from making improper use of the information obtained by virtue of their position in order to obtain an advantage for themselves or any other person.

However, Directors are limited in their ability to deal in the Company's shares by reason of their position as insiders and or while in possession of insider information.

Pursuant to Chapter 14 of the MMLR, Directors and principal officers of the Company are restricted from dealing in securities of the Company during closed periods (as defined under the MMLR, which will be notified to the Directors from time to time) and when in possession of material unpublished price sensitive information affecting the Group.

Directors may deal in the shares of the Company during the closed periods subject to complying with the following conditions: -

- (a) Before any proposed dealing in the shares of the Company, a written notice of intention to deal with the shares must be given to the Company.
- (b) Upon receipt of the notice, the Company will immediately make an announcement to Bursa Securities, with among others, the following information: -
 - i. The Director's current shareholdings in the Company; and
 - ii. The Director's intention to deal in shares of the Company during the closed period.
- (c) The proposed dealing could only be effected after one (1) full market day from the date of the announcement made pursuant to paragraph (a) above.
- (d) A written notice of dealing in shares of the Company must be given to the Company within one (1) full market day after the dealing and the

Company will immediately make an announcement of such dealing to Bursa Securities. The following information should be included in the notice and announcement:

- date of dealing;
- consideration for the dealing; and
- number of shares purchased or disposed, both in absolute terms and as a percentage of all issued shares of that class.

For dealings outside closed periods, Directors must give written notice of the dealing to the Company within 3 market days after the dealing, and the Company will make an immediate announcement to Bursa Securities of such dealing.

Directors who possess inside information relating to the Company must not deal in the shares of the Company.

10.4 Undertaking to Bursa Securities

It is a requirement for Directors to give an undertaking to Bursa Securities within 14 days or other such period as prescribed that they will comply with the requirements under the MMLR.

Part 11. REMUNERATION POLICIES

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.

The remuneration of the Executive Directors is a matter for the Board to deliberate upon as a whole based on market conditions, responsibilities held and the financial performance of the Group. The remuneration package of each Executive Director is structured so as to link rewards to corporate and individual performance.

The Non-Executive Directors' remuneration comprises fees and allowances. Determination of the remuneration is balanced with their expected roles and responsibilities including any additional work and contribution required.

The remuneration and incentives for Independent Directors do not conflict with their obligation to bring objectivity and independent judgment on matters discussed at Board's meetings.

Part 12. ACCESS OF INFORMATION AND INDEPENDENT ADVICE

Directors may access such information and seek such independent advice as they individually or collectively consider necessary to fulfill their responsibilities and permit independent judgment in decision making.

Directors will be entitled to:

- a) access members of the senior management via the MD/CEO at any time to request relevant and additional information or seek explanations;
- b) have access to internal and external auditors, without management present to seek explanations or additional information; and
- c) seek independent professional advice with the Managing Director's prior consent, which will not be unreasonably withheld or delayed, and which will be at the Company's expense.

Part 13. ADMINISTRATIVE

13.1 Application

The principles set out in this Charter are applied in practice having regard to their spirit and general principles rather than to the letter alone; and the Board endeavours to comply at all times with the principles and practices set out in this Charter.

13.2 Periodic Review

This Charter will be periodically reviewed and updated as practices on CG and further guidelines on CG or MCCG 2021 are issued by the relevant regulatory authority to ensure the needs of the Company are met as well as to encompass any development in rules and regulations that may have an impact on the discharge of the Board's duties and responsibilities.

13.3 Amendment of Charter

The Board will make any necessary amendments to ensure they remain consistent with the Board's objectives, current laws and governance practices. Any updates to the principles and practices set out in this Charter will be made available on the Company's corporate website.

13.4 Publication of Charter

This Charter was adopted by the Board and is published on the Company's Website for easy access and viewing and as required under the MCCG 2021.

Charter History

Charter approved on 21 June 2013.

Revised Charter approved on 23 June 2016.

Revised Charter approved on 24 July 2018.

Revised Charter approved on 13 March 2023.