

BOARD CHARTER

1. Preamble

In achieving the objectives of transparency, accountability and effective performance for ManagePay Systems Berhad (“MPay” or the “Company”) and its subsidiaries (the “Group”), the enhancement of corporate governance standards are vital and it is with the aim of enshrining the concept of good governance as promulgated in the Malaysian Code on Corporate Governance (“MCCG”) 2021 that this Board Charter is established.

The Company recognises the importance of the Board of Directors (“Board”) in providing a sound base for good corporate governance in the operations of the Company. This Board Charter serves as reference points for the operation of the Board of MPay and its subsidiaries and describes the functions of the Board and those functions delegated to the Management of the Company.

This Board Charter incorporates the Principles and Practices of the Malaysian Code on Corporate Governance (“the Code”), as considered appropriate and ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“AMLR”) on corporate governance, certain aspects of the Company’s Constitution and relevant sections of the Companies Act 2016 as well as certain rules of Bank Negara Malaysia. This Board Charter is established to promote high standards of corporate governance and is designed to provide guidance and clarity for Directors and Management with regard to the role of the Board and its committees. This Board Charter does not overrule or pre-empt the statutory requirements and other relevant statutes. This Board Charter shall form an integral part of each Director’s duties, authority and responsibilities. To the extent of any conflict between the terms of this Board Charter and the Company’s Constitution, the Constitution shall prevail.

2. Objectives of the Board

The Board has primary responsibility to shareholders for the welfare of the Company. The Board is responsible for guiding and monitoring the business and the affairs of the Company.

3. Role of the Board

- 3.1 The Board shall assume ultimate accountability and responsibility for the performance and affairs of the Company and shall in so doing effectively represent and promote the legitimate interests of the Company and its shareholders. The Board, at all times, shall retain full and effective control over the Company and shall direct and supervise the business and affairs of the Company.

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To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Company, the Board should, among others:-

- (i) exercise care and diligence;
 - (ii) act in good faith in the best interests of the Company;
 - (iii) not improperly use his/her position or misuse information of the Company; and
 - (iv) commit the time necessary to discharge effectively his/her role as a Director.
- 3.2 The Board shall ensure that Management has in place appropriate processes for risk assessment, management and internal controls and monitoring performance against agreed benchmarks. The Board shall work with Management as collaborators in advancing the interests of the Company.
- 3.3 The Board has delegated certain responsibilities to committees which operate in accordance with Board Charter approved by the Board and delegated the day-to-day management of the business of the Group to Managing Director/Chief Executive Officer (“MD/CEO”), executive directors and Management subject to an agreed authority limit.
- 3.4 The Board shall ensure that the direction of the Group is firmly in its hands. This includes the following:-
- (i) material acquisition and disposal of assets;
 - (ii) risk management policies including determining risk appetites;
 - (iii) appointment of auditors and review of the financial statements;
 - (iv) ensuring legal and regulatory compliance;
 - (v) declaration of dividends;
 - (vi) appointment of directors, chief executive officer, chief financial officer and other key responsible persons;
 - (vii) reviewing the adequacy and integrity of internal controls including oversight responsibilities over key result areas and adequate protection over the confidentiality and security of customer information;
 - (viii) approval of key policies and procedures in relation to our business operations;
 - (ix) limits of authority;
 - (x) conflict of interest issues relating to a substantial shareholder or a director including approving related party transaction;
 - (xi) mitigation of fund settlement risk to merchant;
 - (xiii) merchant recruitment and monitoring;
 - (xiv) mitigation of fraud or illegal activities;
 - (xv) outsourcing arrangement with service providers;
 - (xvi) appropriate and timely reporting or escalation of issues that may impact the safety, security or operational reliability of the merchant acquiring operations;
 - (xvii) technology/cyber risks and related issues including strategic frameworks and reputational risks associated with a cyber-incident;
 - (xviii) business IT budgets;

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3.5 The principal duties and responsibilities of the Board including those adopted from the MCCG are:-

- together with 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 its implementation by management;
- ensure that the strategic plan of the Company supports long-term value creation and include strategies on economic, environmental and social consideration underpinning sustainability;
- supervise and assess the Management's performance and to determine whether the business is being properly managed and building sustainable value for Shareholders in accordance with any duties and obligations imposed on the Board by law and within a framework of prudent and effective controls which enables risk to be assessed and managed;
- understand the principal risks of the Company's business and recognise that the business decisions involve the taking of appropriate risk;
- set, review and ensure compliance with the Company's principles, values and ethos of the Company;
- setting risk appetite that the Board is willing to accept in pursuit of a desired financial performance. The management to ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant technology and cybersecurity risks as well as financial and non-financial risks;
- overseeing the selection and succession plans of the Management such that the Board is satisfied with the collective competence of Management to effectively lead the operations of the Company;
- ensure the Company has in place procedures to enable effective communication with stakeholders;
- ensuring that the culture of accountability, transparency, professionalism and responsible conduct is consistently adhered in the Company;
- determining the remuneration of non-executive directors, with the individuals concerned abstaining from discussions of their own remuneration;
- monitoring and reviewing policies and procedures relating to occupational health and safety and compliance with relevant laws and regulations;

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- promoting sustainability through suitable environment and governance considerations in the Company's business strategies;
- ensure the integrity of the company's financial and non-financial reporting;
- together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets;
 - ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders;
 - takes appropriate action to ensure the Board stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities;
 - performance evaluations of the board and management include a review of the performance of the board and management in addressing the company's material sustainability risks and opportunities;
 - reviewing the adequacy and the integrity of the Group's internal control systems, technology risk against its approved risk appetite and tolerance, management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
 - overseeing the adequacy of the Group's IT and cybersecurity strategic plans covering a period of no less than three (3) years. These plans shall address the Group's requirements on infrastructure, control measures to mitigate IT and cyber risk as well as financial and non-financial resources. These plans shall be periodically reviewed, at least once every three (3) years;
 - sufficient time shall be allocated to discuss cyber risks and related issues, including the strategic and reputational risks associated with a cyber-incident; and
 - ensuring continuous engagement in cybersecurity preparedness, education and training.

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- 3.6 In overseeing the conduct of the Group's business, the Board shall ensure that an appropriate financial planning, operating and reporting framework as well as an embedded risk management framework is established. Elements under this combined framework include the business plan, the budget, financial statements, divisional strategic/performance reviews reports and risk management reports.
- 3.7 The Board is also responsible to ensure the Company complies fully with applicable law and regulatory requirements on anti-corruption. In this aspect, the Board is responsible for:-
- approving the anti-bribery policies and procedures of the Company; and
 - overseeing the implementation of the Company's anti-bribery programme by Group Managing Director and its effectiveness.
- 3.8 As the MD/CEO and executive directors form part of the Board, the non-executive directors will meet among themselves to discuss among others strategic, governance and operational issues pursuant to the guidance of MCCG.
- 3.9 The Board must set the tone-at-the-top on the importance of safeguarding customer information and the potential consequences on the Group in the event of a customer information breach. The Board shall also exercise its oversight function in all matters pertaining to the proper handling of customer information.
- 3.10 The Board must approve the Company's written policies and ensure procedures and controls are in place to provide adequate protection over the confidentiality and security of customer information.
- 3.11 The Board must oversee the implementation and maintenance of the policies and procedures, including reviewing reports relating to the management of customer information from management. The Board must be satisfied that the policies, procedures and controls are adequate and effective in safeguarding customer information.
- 3.12 The Board must require assurance from management annually that the controls in place to protect customer information are working effectively and the Company's outsourced service providers fulfil their obligations in accordance with the contract provisions on safeguarding customer information.

4. Board Structure

4.1 Board Balance and Composition

- 4.1.1 The Board shall be of a size and composition with the benefit of diversity in experience, age, perspectives and skills that is conducive to effective decision making and to understand properly and deal with the current and emerging issues of the business of the Company. The Board acknowledges the importance to promote gender diversity and does not set a restriction on having female director(s) on the Board.

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- 4.1.2 The number of Directors shall not be less than two (2) or more than fifteen (15) as set out in the Company's Constitution.
- 4.1.3 The Board shall comprise at least two (2) Directors or one-third (1/3), whichever is higher, of the Board of Directors who are Independent Directors and one (1) member is a woman in accordance with Rule 15.02 of the AMLR. If the Chairman is not an Independent Director, the Board shall comprise a majority (more than half) of Independent Directors to ensure balance of power and authority on the board.
- 4.1.4 In the event of any vacancy in the Board, resulting in non-compliance with paragraph 4.1.3 above, the Company must fill the vacancy within three (3) months.
- 4.1.5 An Independent Director is one who is independent from management, free from any relationship or any transactions, which may interfere with their independent judgement, experience and objectivity without being subordinated to operational considerations or the ability to act in the best interest of Company and are willing to express his/her opinion at the Board meetings free of concern about their position or position of any third party.
- 4.1.6 The Board would recommend comprising women directors. The Board should disclose the action it has or will be taking to have a few women directors.
- 4.1.7 The Board recognises the importance of having a clearly accepted division of power and responsibilities at the head of the Company to ensure a balance of power and authority. It is the policy of the Board to keep the roles of the Chairman and the MD/CEO separate.
- 4.1.8 A Director shall notify the Board's Chairman before he/she accepts any new directorships in other Public Listed Companies. Each Director must not hold directorships at more than five (5) listed issuers.
- 4.1.9 The Chairman of the Board should not be the Chairman of the Audit and Risk Management Committee, Nomination Committee or Remuneration Committee.

4.2 Role of the Chairman

- 4.2.1 The Chairman is responsible for instilling good corporate governance practices as well as carries out an effective leadership role in the conduct of the Board and its relations with the shareholders and other stakeholders. The Chairman is primarily responsible for:-
- ☐ leading the Board in the oversight of management;
 - ☐ representing the Board to shareholders and chairing general meetings of shareholders;
 - ☐ ensuring the integrity of the governance process and issues;
 - ☐ maintaining regular dialogue with the MD/CEO over all operational matters and consulting with the remainder of the Board promptly over any matters that gives him/her cause for major concern;

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- ☐ functioning as a facilitator at meetings of the Board to ensure that no member dominates discussion, that appropriate discussions takes place and that relevant opinions among members is forthcoming;
- ☐ ensuring that all Directors are enabled and encouraged to participate in its activities;
- ☐ ensuring that Executive Directors look beyond their executive function and accept their share of responsibilities in governance;
- ☐ guiding and mediating Board actions with respect to organisational priorities and governance concerns;
- ☐ undertaking the primary responsibility for organising information necessary for the Board to deal with items on the agenda and for providing this information to Directors on a timely basis; and
- ☐ performing other responsibilities assigned by the Board from time to time.

4.3 Role of the MD/CEO

- 4.3.1 The position of the MD/CEO in essence is to ensure the effective implementation of the Group's Business Plan and Policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operation.
- 4.3.2 The MD/CEO, in association with the Chairman, is accountable to the Board for the achievement of the Group's mission, goals and objectives and the MD/CEO is accountable to the Board for the observance of management limitations.
- 4.3.3 The responsibility of the MD/CEO shall be stated in an agreed job description and generally, the MD/CEO is responsible to the Board for the following:-
- ☐ executive management of the Group's business covering, inter alia, the development of a strategic plan; an annual operating plan and budget; performance benchmarks to gauge the management's performance and the analysis of management reports;
 - ☐ developing long-term strategic and short-term profit plans, designed to ensure that the Group's requirements for growth, profitability and return on capital are achieved;
 - ☐ assessing business opportunities which are potential benefit to the Company;
 - ☐ set, review and ensure compliance with the Company's value;
 - ☐ directing and controlling all aspects of the business operations in a cost effective manner;
 - ☐ effectively oversee the human resources of the Group with respect to key positions in the Group's hierarchy;
 - ☐ ensures that the Group's Financial Reports present a true and fair view of the Group's financial condition and operational results and are in accordance with the relevant accounting standards;
 - ☐ assures the Group's corporate identity, products and services are of high standards and are reflective of the market environment;
 - ☐ be the official spokesman for the Company and responsible for regulatory, governmental and business relationships;
 - ☐ ensures compliance with governmental procedures and regulations;

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- ☐ coordinates business plans with the businesses heads, coordinates management issues through the Board, and oversees divisional function groups and cost containment process in consultation with the Financial Controller;
- ☐ maintains and facilitates a positive working environment and good employee relations;
- ☐ assists the Chairman in organising information necessary for the Board to deal with the agenda and for providing this information to Directors on a timely basis;
- ☐ ensure management of day-to-day business affairs, continuous improvement and development, implementation and achievement of corporate policies and strategies sanctioned by the Board;
- ☐ ensure that the Company has an effective management team and structure, management development programme and succession plans;
- ☐ ensure that effective internal controls and governance measures are deployed;
- ☐ keep Board fully informed of all important aspects of the Group's operations and ensuring information is distributed to the Board members;
- ☐ develop and maintain effective relations with significant external agencies such as regulatory bodies, government agencies, investing public and other trade associations and institutions; and
- ☐ ensuring that anti-bribery programme, including its associated policies and procedures are established, implemented, maintained and reviewed to adequately address the Company's risks in connection to bribery and corruption.

In discharging the above responsibilities, the MD/CEO can delegate appropriate functions to management, who shall report to the MD/CEO.

4.4 Role of the Management

The responsibilities of the Management, in general, are:-

- (i) assisting the MD/CEO to develop for the Board's approval, the strategic plan and annual budget for the Group to ensure achievement of the objectives set by the Board;
- (ii) communicating to the staff on any decision made and implementing the strategic plan that approved by the Board to ensure that the objectives of the Group and the Company approved by the Board are met;
- (iii) running and managing the operations of the Group and the Company in a proper manner and in accordance with the Board approved strategic plan within the limit of authority set by the Board;
- (iv) setting up of an appropriate and effective internal control measures and risk management framework to identify, assessing, managing and monitoring key risks;

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- (v) assisting the Board in the establishment of Group and Company's policies by developing such policies for the Board's review and approval, and for Group and Company to adopt and implement the approved policies;
- (vi) developing effective management information and internal control systems of the Group and the Company to ensure that integrity and adequacy of the systems are intact;
- (vii) reporting to the Board periodically on the performance of the Group against the approved plan and budget as well as other matters that is under the Board's purview and enable the Board to discharge its responsibilities effectively; and
- (viii) reporting to the Board on matters that required their decision/approval or of significance to the Group and the Company.

4.5 Role of the Independent Directors

4.5.1 The role of Independent Directors is to constructively challenge and help develop proposals on strategy include, inter alia:-

- ☐ to make independent assessment of the information, reports or statements, having regard to the Directors' knowledge, experience and competence, to provide independent view and demonstrate objectivity in reviewing and challenging the management's proposals at meetings;
- ☐ to bring impartiality and scrutiny to Board's deliberations and decision-making and also serve to stimulate and constructively challenge the Management in an objective manner;
- ☐ to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to keep abreast of industry issues, sustainability issues relevant to the Group and its business, including climate-related risks and opportunities, market development and trend and enable them to sustain their active participation in board deliberations;
- ☐ act as a channel of communication between Management, shareholders and other stakeholders, and provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied; and
- ☐ ensure that there are adequate systems, controls and check and balance to safeguard the interests of the Company and all stakeholders.

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4.6 Role of the Senior Independent Director

- 4.6.1 The Board require to 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 MD/CEO have failed to resolve them.

The role of Senior Independent Director includes, amongst others:-

- ☐ act as a sound board for the Chairman;
- ☐ ensure all independent directors have opportunity to input on the agenda, and advise the Chairman on the quality, quantity and timeliness of the information submitted by management that is necessary or appropriate for the Independent Directors to perform their duties effectively;
- ☐ consult the Chairman regarding board meeting schedules to ensure the Independent Directors can perform their duties responsibly and with sufficient time for discussion of all agenda items;
- ☐ serve as the principal conduit between the Independent Directors and the Chairman on sensitive issues; and
- ☐ serve as a designated contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the Chairman or MD/CEO.

4.7 Appointments

- 4.7.1 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.
- 4.7.2 The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the Nomination Committee. Further, identifying candidate(s) for appointment of directors, the Board does not solely rely on recommendations from existing Board members, management or major shareholders. The Board may utilise variety of independent sources to identify suitably candidate(s). It is of essence of the Board to ensure high levels of professional skills and appropriate personal qualities are pre-requisites for such nominee(s).
- 4.7.3 The criteria for the recruitment or appointment of Director is guided by fit and proper assessment by the Nomination Committee.
- 4.7.4 In the case of candidates for the position of Independent Non-Executive Directors, the Nomination Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
- 4.7.5 Annual assessment on the effectiveness of the Board, Board Committees and Individual Director will be carried out with the objective to draw the attention of the Board key areas that need to be improved.

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4.8 Tenure of Directors

- 4.8.1 Pursuant to the Company's Constitution, an election of Directors shall take place every year where one-third (1/3) of the Directors for the time being or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election provided always that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election.
- 4.8.2 The tenure of an Independent Director should not exceed a cumulative term of twelve (12) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the board as a Non-Independent Director. The Board may, in exceptional cases and subject to the assessment of the Nomination Committee on an annual basis, recommend for an Independent Director who has served a consecutive or cumulative term of nine (9) years to remain as an Independent Director.

If the Board intends to retain an Independent Director beyond nine (9) years, it should provide justifications and seek annual shareholders' approval through a two-tier voting process.

4.9 Company Secretary

- 4.9.1 The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Company Secretary shall be suitably qualified, competent and capable of carrying out the duties required of the post.
- 4.9.2 The key role of the Company Secretary is to provide unhindered advice and services for the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.
- 4.9.3 Other primary responsibilities of the Company Secretary shall include:-

- ☐ preparing agendas and coordinating the preparation of the Board papers in a timely and effective manner;
- ☐ ensure that Board procedures and applicable rules are observed;
- ☐ maintaining records of the Board and ensure effective management of organisation's records;
- ☐ preparing comprehensive minutes to document Board proceedings and ensure conclusions are accurately recorded;
- ☐ assisting the communications between the Board and Management;
- ☐ advise the Board on corporate disclosure and compliance with company and securities regulations and listing requirements;
- ☐ facilitate the orientation of new directors and assist in director training and development;
- ☐ monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations;

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- ☐ serve as a focal point for stakeholders' communication and engagement on corporate governance issues;
- ☐ manage processes pertaining to the shareholder meeting;
- ☐ providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time;
- ☐ advise the Board on its obligatory requirements to disclose material information to the shareholders and financial markets on a timely basis; and
- ☐ ensure availability of information required by new directors for the proper discharge of their duties.

4.9.4 The Company Secretary must keep abreast of, and inform, the Board of current governance practices.

4.10 Board Committees

4.10.1 The Board reserves the right to establish Committees from time to time in the discharge of its duties and responsibilities. The existence of the Board Committees does not diminish the Board's responsibilities for the affairs of the Group where the delegation of power shall be subject to the approved terms of references and are in accordance with this Board Charter.

4.10.2 Where a committee is formed, specific terms of reference of the committee would be established to serve as a guidance note which covers matters such as the purpose, composition and functions of the committee, which are to be reviewed from time to time to ensure that they remain relevant.

4.10.3 A number of standing committees with written terms of reference has been established namely the following:-

(a) Audit and Risk Management Committee

Audit and Risk Management Committee assists in providing oversight on the Group's financial reporting, risk management, disclosure, regulatory compliance and monitoring of internal control processes as well as the Environment Social Government initiatives within the Group. The Audit & Risk Management Committee reviews the quarterly financial results, unaudited and audited financial statements, internal and external audit reports as well as related party transactions.

(b) Nomination Committee

The Nomination Committee oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience, tenure and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director as well as identify candidates to fill board vacancies, and nominating them for approval by the Board. It also ensures that all Directors receive suitable continuous training

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programmes to broaden their perspectives and to keep abreast with developments in the market, statutory and regulatory requirements.

(c) **Remuneration Committee**

The Remuneration Committee is primarily responsible for recommending to the Board the remuneration of executive directors, non-executive directors and Management in all its forms, drawing from outside advice if necessary. The remuneration of executive director shall be recommended by the Remuneration Committee with the individual Director concerned abstaining from discussing and deciding his individual remuneration. The amount of remuneration payable shall be determined with reference to corporate and individual performance of executive directors.

4.11 The Board's Relationship with Shareholders and Stakeholders

4.11.1 The Board shall maintain an effective communications policy that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the general public.

4.11.2 All the Directors shall attend the Annual General Meeting ("AGM") and Extraordinary General Meeting ("EGM") and it is the role of the Board to ensure that the said meeting(s) of the Company are conducted in an efficient manner and serves as a crucial mechanism in shareholder communications. Key ingredients behind this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the AGM.

4.11.3 The Board will focus its efforts on the following best practices to enhance the effectiveness of the General Meeting:-

- ☐ ensure that each item of special business included in the notice to be accompanied by a full explanation of the effects of the proposed resolution;
- ☐ inform shareholders of their rights to demand for a poll vote at the commencement of general meetings subject to the Company's Constitution;
- ☐ for re-election of Directors, ensures that the notice of meeting state which Directors are standing for election or re-election with a brief description to include matters such as name, age, gender, nationality, qualification, relevant experience, list of directorships, details of any interest in the securities of listed corporation and its subsidiaries, family relationship with any director and/or major shareholder of the listed corporation, any conflict of interest with the listed corporation, list of convictions for offences (other than traffic offences) within the past five (5) years, date of appointment to the Board, details of participation in board committee and the fact that a particular Director is independent;

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- ☐ ensure that the Chairman provides reasonable time for discussion at the meeting. Where appropriate and if required, the Chairman will also undertake to provide written answer to any significant question which cannot be answered immediately; and
- ☐ conduct a business presentation with a question and answer session, where appropriate and if required.

4.11.4 The MD/CEO shall take responsibility for addressing queries from Shareholders, stakeholders, analysts and press. In the performance of this responsibility, the MD/CEO shall be mindful of the regulatory requirements pertaining to price sensitive information.

5. Board Processes

Board Meetings shall be conducted in a business-like manner where all Directors are encouraged to share their views and partake in discussions.

5.1 Board Meeting

- 5.1.1 The Board shall meet sufficiently, at least once on a quarterly basis, to review the performance of the Company and subsidiaries, including the status of its compliance with regulatory requirements and to deal with any issues pertaining to the operations of money services business activities. Special Board meetings shall be held in addition to the quarterly meetings as and when necessary to consider urgent proposals or matters that require the Board's review. Prior notice of meetings will be given to all who are required to attend the meetings.
- 5.1.2 The Company shall maintain formal minutes of all Board meetings including minutes of the subsidiaries, which should contain a proper record of the attendance of individual Directors, matters discussed by the Board and decisions of the Board. The minutes should provide adequate details on discussions about issues of concern to the Board and actions directed by the Board to address those concerns for subsequent monitoring and follow up by the Board.
- 5.1.3 Board members are required to attend the Board meetings and must meet the minimum 50% attendance requirement imposed by the Listing Requirements. The attendance of each individual Director in the meetings held in a financial year is required to be disclosed in the Annual Report.
- 5.1.4 Other senior officers may be invited to attend for particular items within their responsibility. The Board may also invite external parties such as the auditors, solicitors and consultants as and when the need arises.
- 5.1.5 Additional formal business is dealt with as required, whether by physical, videoconferencing or telephonic meetings, as well other electronic meetings allowed in accordance with the Company's Constitution and applicable the laws.

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5.2 Agenda

- 5.2.1 The notice of a Directors' meeting shall be given in writing at least seven (7) days prior to the meeting.
- 5.2.2 The agenda shall include, amongst others, matters specifically reserved for the Board's decision. The Board shall record its deliberation, in terms of the issues discussed, and the conclusions thereof in discharging its duties and responsibilities.
- 5.2.3 The Chairman should set the board meeting agenda, and ensure adequate time is allocated for discussion of issues tabled to the board for deliberation.

5.3 Meeting Papers

- 5.3.1 As a matter of best practice and to allow ample time for Directors to consider the relevant information, Board papers and agenda items are to be circulated at least five (5) business days prior to the meeting.
- 5.3.2 The minutes of Board meetings shall be prepared within a reasonable period following a Board meeting. The draft minutes shall be circulated together with the Board papers at the following Board meeting. If one or more Directors request their opinion to be noted, the Company Secretary shall comply with the request.

5.4 Access to Information and Independent Professional Advice

- 5.4.1 All Directors (executive and non-executive) have the same right of access to all information within the Group whether as a full board or in their individual capacity, in furtherance of their duties and responsibilities as Directors of the Group, subject to a formal written request to the Chairman furnishing satisfactory and explicit justification for such request.
- 5.4.2 A record of submissions, papers and materials presented to the Board, is maintained and held by the Company Secretary together with minutes of meetings and is accessible to Directors.
- 5.4.3 All Directors shall have access to the advice and services of the Company Secretary. The Board shall recognise that the Chairman is entitled to the strong and positive support of the Company Secretary in ensuring the effective functioning of the Board.
- 5.4.4 The full Board or in their individual capacity, in furtherance of their duties, shall be able to obtain an independent professional advice at the Group's expenses through an agreed procedure laid down formally.

5.5 Induction Process and Directors' training

- 5.5.1 The objective of the induction process is to provide Directors with a rapid and clear insight into the Group as well as keeping them abreast with development in the

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marketplace pertaining to the oversight function of Directors. This will enable the Directors to discharge their duties and responsibilities effectively.

5.5.2 Induction of Directors may include, but not limited to, the following:-

- ☐ furnishing of a copy of the previous board minutes for at least the past six (6) months; the business/strategic plan, pertinent management reports; profile of key competitors and significant reports by management consultants on areas of board responsibilities;
- ☐ visits to key sites; and
- ☐ a formal one (1) to two (2) days induction programme, including the elements above, and also presentations from various divisions on their strengths, weaknesses and ambitions.

5.5.3 All new Directors appointed to the Board shall participate in the Mandatory Accreditation Programme pursuant to the AMLR under the auspices of Bursa Malaysia Securities Berhad, if he/she has not attended before and undertake an induction program facilitated by the Management to assist them in fulfilling their duties and responsibilities.

5.5.4 Directors are expected to undertake any necessary professional education or training programme or seminars at periodic intervals to enhance their skills and knowledge on relevant new laws and regulations and to keep abreast with the changing business environment within which the Group operates so as to enable them to discharge their duties.

5.5.5 The Board assisted by the Nomination Committee, shall on the continuous basis assess, evaluate and determine the training needs of the Directors and disclose in the annual report the trainings attended by the Directors. In exceptional circumstances, valid justification for non-attendance at any training by Directors for the financial year shall also be disclosed.

5.6 Directors' External Commitments and Conflict of Interest

5.6.1 The Company's Constitution stipulate that a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare his/her interest in accordance with the provisions of the Companies Act 2016. The Director concerned shall not participate in deliberations and shall abstain himself/herself from casting his votes in any matter arising thereof unless otherwise as provided for in the Constitution of the Company.

5.6.2 Should there be an actual, potential or perceived conflict of interest between the Company or a related corporation and a Director, or an associate of a Director such as a spouse or other family members, or a related company (as defined under Section 197(1) of the Companies Act 2016), the Director involved shall make full disclosure and act honestly in the best interest of the Company:-

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- (a) Director shall immediately inform the Audit & Risk Management Committee in respect of their direct and indirect interests in any businesses or corporations which carry on similar trade as that of the Group; and
- (b) Every Director shall comply with the provisions of Sections 219 and 221 of the Companies Act 2016 in connection with the disclosure of his/her shareholdings and interests in the Company and his/her interest in any contract or proposed contract with the Company and in connection with the disclosure, every Director shall state 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/her duty or interest as a Director of the Company,

And the interested Directors shall abstain from deliberation and voting on the resolutions relating to those matters or transactions.

- (c) An actual, potential or perceived conflict of interest shall not necessarily disqualify an individual Director from the Board provided that full disclosure of the interest has been made in good faith and with due honesty.

- 5.6.3 For the purpose of the above-mentioned paragraphs, the Directors shall perform an annual self-declaration on independence (in respect of those who are Independent Directors) and conflict of interest for the Group's records.

5.7 Representation of the Company

- 5.7.1 The Board appoints the MD/CEO to speak on behalf of the Group and to manage the communication of information to investors, other stakeholders and the public in an orderly and effective manner while adhering, at all times, to relevant laws and regulatory requirements.
- 5.7.2 Non-executive Directors with the possible exception of the Chairman to as far an extent as possible, shall avoid commenting on the Company to external audiences. This is to avoid confusion and to ensure that the Board speaks in one voice.

5.8 The Company's Constitution and Management's limits

- 5.8.1 The Board operates pursuant to the powers and is subject to rules in the Constitution of the Company as adopted by shareholders in general meeting and the laws and regulations governing in Malaysia.

Directors may delegate their powers as they consider it appropriate through an appropriate manual of delegations or manual of authorities. However, ultimate responsibility for strategy and control rests with the Directors as guided by the MD/CEO.

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5.8.2 The Management is expected to act within all specific authorities delegated to it by Board/MD/CEO. Nevertheless, the Board is still charged with the responsibility for the exercise of such power by the delegate as if such power had been exercised by the Directors themselves. This responsibility can be negated only when:-

- ☐ the Board believed on reasonable grounds that the delegate would exercise the delegated powers in conformity with the Companies Act 2016 and the Constitution of the Company; and
- ☐ the Board believed on reasonable grounds, in good faith and after making a proper inquiry that the delegate (where necessary) was reliable and competent in relation to the powers delegated.

5.8.3 The Management is expected not to cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics.

5.8.4 The management function is conducted by, or under the supervision of, the MD/CEO as directed by the Board and by other officers to whom Management function is properly delegated by the MD/CEO.

6. Anti-Bribery and Corruption Policy

The Board is committed to conducting its business ethically and in compliance with all applicable laws and regulations and thus shall uphold a zero tolerance approach to all forms of bribery and corruption in accordance with but not limited to Malaysian Anti-Corruption Commission Act (MACCA) 2009 and its amendments.

7. Corporate Disclosures

The Board shall have relevant corporate disclosure policies and procedures to ensure comprehensiveness, accuracy and timeliness of information disclosed. These policies and procedures shall ensure compliance with the relevant disclosure requirements as enumerated in the AMLR.

The Board shall ensure the Company leverages on information technology in communicating with stakeholders, including a dedicated section for Investor Relations on the Company's website, for effective dissemination of information and easy access to corporate information pertaining to the Company and its activities. The website should continuously be updated to provide the latest information such as the Board Charter, terms of references and the Annual Report of the Company.

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8. Review and Updates

The Board Charter shall be regularly assessed, reviewed and updated by the Board, with Nomination Committee's recommendation, and updated in accordance with the needs of the Company or as and when there are changes to the AMLR of Bursa Securities, MCCG or any other regulatory requirements that may have an impact on the discharge of the Board's responsibilities and published on the Company's website.

9. Approval

The Board Charter is approved by the Board of the Company on 22 March 2022