



PCCS GROUP BERHAD

**[Registration No. 199301026191 (280929-K)]
(Incorporated in Malaysia)**

BOARD CHARTER

BOARD OF DIRECTORS

CHARTER

Part 1: Definition

1.1 In this Charter:

“**Act**” means the Companies Act 2016 and any amendments from time-to-time;

“**AGM**” means Annual General Meeting;

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

“**Board Charter**” means the Board of Directors’ Charter approved by the Board of Directors from time to time;

“**Bursa Malaysia Securities**” means Bursa Malaysia Securities Berhad;

“**Business**” means the business of the Company;

“**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;

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

“**Main LR**” means the Main Market Listing Requirements of Bursa Malaysia Securities;

“**Management**” means the management personnel of the Company;

“**Management Limitations**” means the limitations on the actions of Management as set out in paragraph 5.3;

“**MCCG**” means the Malaysian Code of Corporate Governance;

“**MD**” means the Group Managing Director of the Company;

“**PCCS**” or “**the Company**” means PCCS Group Berhad or whatsoever name called for the company bearing registration number 199301026191 (280929-K);

“**PCCS Group**” means the companies within the PCCS Group Berhad;

“**Secretary**” means the Company Secretary(ies) of the Company;

“**Shareholders**” means the shareholders of the Company; and

“**Stakeholders**” means such persons who have an interest in the Company in particular, the employees, customers and suppliers of the Company and where applicable, includes the community and the environment at large.

Part 2: Introduction

The Board recognises that good CG practices is essential to reinforce Shareholders' and Stakeholders' confidence in the Company as its Board, which is vital to the success of the Company's businesses.

The Board plays the role of steward and guardian of the Company. The Board members are expected to perform their duties with integrity, honesty and in their capacity as a fiduciary in serving the interest of the Shareholders and Stakeholders. To this end, a Board Charter has been developed which serves as a reference to the Board members in executing their responsibilities.

Objectives

This Board Charter sets out the composition, role, responsibilities, structure and processes of the Board. The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good CG are applied in all their dealings in respect, and on behalf of, the Company.

This Board Charter is not an "all inclusive" document and should be read as a broad expression of principles. It shall 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

3.1 General

PCCS is one (1) of the Malaysia's leading garment manufacturers. In addition to the core business in the garment industry, the Group consisted of up to twenty (20) subsidiaries. These subsidiaries are to supplement the services of embroidery, labels & stickers, knitted fabric, elastic band, marketing and distribution of products overseas.

In congruence with the PCCS Group Philosophy, the Board has adopted the PCCS Group's vision, which aims to build up a great platform with happy stakeholders.

3.2 Guiding Principles for the Board

- (a) In order to achieve the PCCS Group's vision, the Board is responsible to observe the following guiding principles in establishing clear roles and responsibilities:
- Establish a formal schedule of matters reserved for the Board and those delegated to Management.
 - Establish clear roles and responsibilities in discharging its fiduciary and leadership functions.
 - Formalise ethical standards through a code of conduct and ensure its compliance.
 - Ensure that the Company's strategies promote sustainability.

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- Ensure that all Board members have access to information and advice.
 - Ensure it is supported by a suitably qualified and competent company secretary.
 - Formalise, periodically review and make public its Board Charter.
- (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 a manner best serving the interests of the Shareholders as a whole.

Part 4: Board Governance Process

4.1 Role of the Board

- (a) The Board is to effectively represent and promote the interests of Shareholders with a view to add value to the Company's shares.
- (b) Having regard to its role, the Board will oversee the performance of the Management of, the Business and affairs of the Company including, in particular: -
- together with senior management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
 - review, challenge and decide on Management's proposals for the Group, and monitor its 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's 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 Group'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 Group has in place procedures to enable effective communication with stakeholders;

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- ensure that all Directors are able to understand financial statements and form a view on the information presented; and
 - ensure the integrity of the Group's financial and non-financial reporting.
 - together with management takes responsibility for the governance of sustainability in the Group including setting the Group's sustainability strategies, priorities and targets and ensure the same as well as performance against such targets are communicated to the Company's shareholders and other stakeholders.
 - establishing policies for strengthening the performance of the Group including ensuring that Management is proactively seeking to build the Business through innovation, initiative, technology, new products and the development of its business capital.
 - succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management.
- (c) 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.
- (d) The Board will satisfy itself that the Company is achieving the Company Goals.

4.2 Board Procedures

- 4.2.1 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.
- 4.2.2 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 absence in writing to the Secretary.
- 4.2.3 Meeting materials shall be provided to Directors at least five (5) business days prior to the relevant meeting to enable them to familiarise on the issues/matters to be discussed and participate in an informed manner.
- 4.2.4 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

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requirements, the Board will decide the manner and timing of the publication of its decisions.

- 4.2.5 Executive Directors will attend Board meetings to discharge their Board responsibilities. At Board meetings, the Board's responsibilities supersede all executive responsibilities.
- 4.2.6 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.
- 4.2.7 The Board meetings are held at least four (4) times in each financial year and additional Board meetings can be convened by the Company Secretary at the request of any Director at any time by giving all Directors at least seven (7) days' notice in writing. A meeting may, with the consent of all Directors, be convened with shorter notice.
- 4.2.8 In lieu of meeting, the Board is allowed to carry out resolutions by way of circulation.
- 4.2.9 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 to 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 Board composition, structure and succession;
 - 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; and
 - settle the following year's business plan.
- 4.2.10 Directors are entitled to have access to all relevant Company's information and to Management at all reasonable times.
- 4.2.11 Directors are expected to strictly observe 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.
- 4.2.12 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.

4.3 Chairman of the Board

- 4.3.1 The Board will appoint a Chairman from among the Directors.
- 4.3.2 The Directors may from time to time elect and remove a chairman and deputy chairman of the Board and determine the period for which they are respectively to hold office. The chairman so elected, or in his absence the deputy chairman, shall preside at all meetings of the directors but if there is no such chairman or deputy chairman be elected, or if any meeting, the chairman and deputy chairman be not present within fifteen (15) minutes after the time appointed for holding the same without prior notification by the chairman to the Directors, the Directors present shall choose one (1) of their number to act as chairman of such meeting [*Clause 155 of the Constitution*].
- 4.3.3 The Chairman is responsible for representing the Board to Shareholders.
- 4.3.4 The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board as set out in Part 4 of this Board Charter.
- 4.3.5 The Chairman is responsible for maintaining regular dialogue with the Board over all operational matters and will consult with the remainder of the Board promptly over any matter that gives him or her cause for major concern.
- 4.3.6 The Chairman will act as facilitator at meetings of the Board to ensure that no Directors, whether executive or non-executive, dominates discussion, that appropriate discussion takes place and that relevant opinions among Directors are forthcoming.
- 4.3.7 Subject to the Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a decision of the Board. In case of an equality of votes, the Chairman of the meeting shall have a second or casting vote except at the meeting only two (2) Directors form the quorum and only such quorum is present at the meeting or only two (2) Directors are competent to vote on an issue in question, the chairman of the meeting shall not have a casting vote [*Clause 156 of the Constitution*].

4.4 Role and key responsibilities of Chairman of the Board

- 4.4.1 The Chairman of the Board is principally responsible for the overall functioning of the Board, which include:-
- Providing leadership to the Board so that the Board can perform its responsibilities effectively;
 - leading the Board in the adoption and implementation of good corporate governance practices in the Company;
 - setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;

- leading Board meetings and discussions;
- encouraging active participation and allowing dissenting views to be freely expressed;
- managing the interface between Board and Management; and
- ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

4.4.2 The Chairman acts as an informal link between the Board and Management.

The Chairman is expected to be kept informed by the Management of all important matters and make himself available to the Management.

- to be part of the control mechanism in ensuring that the Management's decisions are properly considered;
- to give assistance and advice when needed; and
- to oversee the Management's establishment of adequate control mechanism to oversee compliance responsibilities and risk mitigation.

4.4.3 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.

4.4.4 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.

4.5 Board Committees

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

4.5.2 Board committees will observe the same rules of conduct and procedure as the Board unless the Board determines otherwise.

4.5.3 Board committees will only speak or act for the Board when so authorised.

4.5.4 The Board has established the following Committees of the Board, each with clearly defined Term of Reference ("**TOR**") in order to enhance business and corporate efficiency and effectiveness:-

- (a) Audit Committee;
- (b) Nomination Committee; and
- (c) Remuneration Committee.

4.5.5 The Board may delegate specific functions to Board Committees as and when required.

4.6 Board Composition

4.6.1 The size of the Board is stipulated in the Constitution of the Company. The size of the Board must be commensurate with the range of credential, knowledge, views and experience needed for effective functioning of the Board and the regulator's requirement of Independent Directors.

4.6.2 The Board is supportive of gender diversity policy. In its selection of Board members, the Board provides equal opportunity to all candidates who meet the criteria and other qualities vis-a-vis the Group present business portfolios and prospective investments.

4.6.3 The qualifications for Board membership are the ability to make sensible business decisions and recommendations, an entrepreneurial talent for contributing to the creation of Shareholders' value, the ability to see the wider picture, the ability to raise constructive queries, preferably with some experience in the industry sector, high ethical standards, sound practical sense, and commitment to furthering the interests of Shareholders and the achievement of the Company Goals.

4.6.4 Non-Executive Directors will be active in areas which will enable them to relate to the strategies of the Company and to make a meaningful contribution to the Board's deliberations. They will be independent of Management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

4.6.5 The Directors shall have power at any time to appoint any other person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with the Constitution of the Company. Any Director so appointed shall hold office only until the conclusion of the next annual general meeting and shall then be eligible for re-election at such meeting. A Director retiring under this Clause shall not be taken into account in determining the Directors or the number of Directors to retire by rotation at such meeting. [*Clause 115 of the Constitution*].

4.6.6 Directors shall retire from office, and at the annual general meeting in every subsequent year, one-third (1/3) of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election provided always that all Directors including MD shall retire from office at least once every three (3) years but shall eligible for re-election. [*Clause 117 of the Constitution*].

4.6.7 MD and Executive Directors will be engaged on service contracts. Upon the expiry of their tenure, the Board may also, with the recommendation of the Nomination Committee and if considered appropriate, appoint them as Non-Executive Director(s) until the conclusion of the next AGM, whereby they shall be eligible to offer themselves for re-election, respectively.

4.6.8 In the event of a MD or an Executive Director's service contract with the Company is terminated for any reason whatsoever, the Director is expected to resign from the Board.

4.6.9 The Board is supportive of gender diversity in the Boardroom as advocated in the MCCG.

4.7 Nomination and Appointment

4.7.1 The appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the Nomination Committee.

4.7.2 In identifying candidates for appointment of Directors, the Board with the assistance of Nomination Committee shall utilise variety of independent sources to identify suitably qualified candidates, where appropriate.

4.7.3 The detailed profiles of nominated directors will be presented to Board by the Nomination Committee to assist the Board in their decision whether to confirm the appointment of the nominated directors.

4.7.4 All new Directors appointed to the Board shall undertake an induction program coordinated by the Managing Director.

4.8 Tenure of Independent Directors

4.8.1 The tenure of an Independent Director should not exceed a term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. In the event the Board wishes to retain an Independent Director, who has served in that capacity for more than nine (9) years, the Board must justify and seek shareholders' approval through a two-tier voting process, as follows:-

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

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

4.8.2 Large Shareholder(s) 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.

4.8.3 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.

4.9 Shareholdings by Board members in the Company

4.9.1 Board members may hold shares in the Company. Any transactions involving the shares of the Company, be it buying, selling or transfer to third party, Board members must strictly observe the disclosure requirements and/or provisions under the Act, Main LR of Bursa Malaysia Securities and all other relevant legislative and regulatory requirements.

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

4.10 Directors' Remuneration

4.10.1 The Board has adopted a Remuneration Policy to set the remuneration of its Directors. The level of remuneration will be designed to attract and maintain talented and motivated Directors and employees. Executive Directors are remunerated based on the Group's performance whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed.

4.10.2 The maximum amount of Directors' fees and benefit to be paid to Directors will be recommended by the Board and subject to ordinary resolution of the shareholders.

4.11 Performance Evaluation

4.11.1 The Board reviews and evaluates individual Directors' performance, its own performance and the performance of its Committees at least annually based on the report of the Nomination Committee.

4.12 Provision of Business or Professional Services by Directors

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

4.12.2 Notwithstanding the provision of paragraph 4.12.1, 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's 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.

4.13 Board Appointment in Other Companies

4.13.1 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.

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

4.14 Continuing Education Programme and Training

4.14.1 Directors are expected to undertake continuing professional development programmes to enable them to keep abreast with the corporate governance developments, sustainability issues relevant to the Group and its business, including climate-related risks and opportunities. While Management, Company Secretary, Internal and External Auditors will brief the Board on changes in the legislative, regulatory or industry framework which impact the Group, this is not a substitute for the Directors' efforts to seek continuous knowledge of the changes in the market regulations.

4.14.2 Based on the result of appraisal, the Nomination Committee would assist the Board to undertake an assessment of the training needs of each director.

4.14.3 All costs incurred ancillary or incidental to the training shall be borne by the Company.

4.14 The Company Secretary

4.14.1 The appointment and removal of the Company Secretary shall be a matter of the Board as a whole. The Company Secretary should be suitably qualified, competent and capable of carrying out the duties required of the position.

4.14.2 The key roles of the Company Secretary are 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.

4.13.3 All Directors, particularly the Chairman, have access to the advice and services of the Company Secretary for the purposes of the Board's affairs and the Business.

4.13.4 The main responsibilities of the Company 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 Main LR;
- Manage processes pertaining to the annual shareholder meeting;
- Monitor corporate governance developments and assist the Board in applying corporate governance practices to meet the Board's needs and stakeholders' expectations;

- Serve as a focal point for stakeholders' communication and engagement on corporate governance issues; and
- Carry out other functions as deemed appropriate by the Board from time to time.

Part 5: Board-Management Relationship

5.1 MD

- 5.1.1 The Board will link the Company's governance and management functions through the MD.
- 5.1.2 All Board authority conferred on Management is delegated through the MD so that the authority and accountability of the Management is considered to be the authority and accountability of the MD in so far as the Board is concerned.
- 5.1.3 The MD is expected to keep the Board informed on all matters which may materially affect the Company and its business.
- 5.1.4 Only decisions of the Board acting as a body are binding on the MD. Decisions or instructions of individual Directors, officers or committees are not binding except in instances where specific authorisation is given by the Board.
- 5.1.5 The Directors may from time to time, appoint one (1) or more of their body to be the MDs or chief executive or person(s) holding equivalent position(s) by whatever name called, for such period and on such terms as the Board thinks fit and may revoke any such appointment [Clause 126 of the Constitution].
- 5.1.6 The MD shall be subject to retirement by rotation and shall be taken into account in determining the rotation or retirement of Directors in accordance with the provisions of the Constitution, and he shall, subject to provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director from any cause, he shall ipso facto and immediately cease to be a MD. [Clause 129 of the Constitution].

5.2 Accountability of MD to Board

- 5.2.1 The MD is accountable to the Board for the achievement of the Company Goals and the observance of the Management Limitations.
- 5.2.2 At each of its quarterly meetings the Board should receive from or through the MD: -
- the operational and other reports and proposals referred to in paragraph 4.2.9; and
 - such assurances as the Board deems necessary to confirm that the Management Limitations are being observed.

5.3 Management Limitations

- 5.3.1 The MD is expected to act within all specific authorities delegated to him by the Board.

- 5.3.2 The MD is expected not to cause or permit any practice, activity or decision that is contrary to generally accepted good business practice or professional ethics.
- 5.3.3 The MD is expected to take into consideration the Company Goals in allocating the capital and resources of the Company.
- 5.3.4 The MD 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.
- 5.3.5 The MD is expected not to cause or permit any action that is likely to result in financial distress of the Company.
- 5.3.6 The MD 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.
- 5.3.7 The MD 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.
- 5.3.8 The MD 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.

5.4 Non-Executive Directors

- 5.4.1 The role of the Non-Executive Directors is primarily on monitoring executive authority and contributing to the development of strategy.
- 5.4.2 The role of the Non-Executive Directors can be further distinguished in the following areas of concern:-
 - Strategy: Constructively challenge and contribute to the development of strategy.
 - Performance: Scrutinise the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.
 - Risk: Satisfy themselves that the financial information presented is accurate and that financial controls as well as systems of risk management are robust and defensible.
 - People: Responsible for determining appropriate levels of remuneration of the MD and Executive Directors and have a prime role in appointing, and where necessary, removing Senior Management as well as succession planning.

5.5 Independent Directors

5.5.1 An Independent Director must fulfil the provisions and definition of 'Independent Director' of the Main LR at all times and must declare their independence to the Board annually.

5.5.2 The responsibilities of an Independent Director are to:

- provide and enhance the necessary independence and objectivity to the Board;
- ensure effective checks and balances on the Board;
- mitigate any possible conflict of interest in policy-making process and the day-to-day management of the Group;
- constructively challenge and contribute to the development of business strategy and direction of the Group; and
- ensure that adequate systems and controls to safeguard the interests of the Group are in place.

5.6 Senior Independent Non-Executive Director

5.6.1 There shall be an Independent Non-Executive Director of the Board be designated as Senior Independent Non-Executive Director to whom concerns may be conveyed.

5.6.2 A designated email address shall be made available in the Company's Corporate Website for all shareholders to access/contact the Senior Independent Non-Executive Director.

5.6.3 The responsibilities of the Senior Independent Non-Executive Director include:-

- to serve as a designated contact person for consultation and direct communication with Shareholders on areas that cannot be resolved through the normal channels of contact with the Company, at the expense of the Company.
- to seek assistance from the MD/Executive Director and/or any senior management of the Company, if so required, to resolve the issues raised by the Shareholders to him.
- to seek advice from external professionals on a specific subject matter raised to him by the Shareholders, at the expense of the Company, if so required.
- to report to the Board on any pertinent issues raised by the Shareholders that warrants the Board's attention and/or further action.
- to ensure all Independent Non-Executive Directors have an opportunity to provide 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 Non-Executive Directors to perform their duties effectively.

Part 6: Board-Shareholders Relationship

6.1 Communication

- The Shareholders must be informed of all material business matters affecting the Company and the Board should adopt an open and transparent policy in respect of its relationship with its Shareholders and investors.
- The Board ensures timely release of financial results on a quarterly basis 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 and/or the Company Secretary to ensure that information that has yet to release to Bursa Malaysia Securities is not released to the press beforehand.
- The Board maintains an ongoing communication programme to ensure that Shareholders are appropriately informed of major developments within the Company on a timely basis through announcements made to Bursa Malaysia Securities.
- 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 leverages on information technology for effective corporate communication and the Company's website to provide easy access to corporate information pertaining to the Company and its activities to the general public.

Part 7: Stakeholders Relationship

7.1 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. The Board affirms its commitment to workplace safety and health.

7.2 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 8: Commitment on Corporate Governance

The Board is committed to uphold and implement the highest standards of corporate governance and best practices throughout its businesses.

Part 9: Application of Board Charter

9.1 The principles set out in this Board Charter are:-

- (a) Kept under review and updated as practices on CG and further guidelines on CG or MainLR are issued by the relevant regulatory authority;
- (b) Applied in practice having regard to their spirit and general principles rather than to the letter alone; and
- (c) Summarised in the Annual Report of the Company as part of the narrative statements by the Directors on CG.

9.2 The Board endeavour to comply at all times with the principles and practices as set out in this Board Charter.

9.3 The Board will review this Board Charter from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices.

History of Board Charter

Date	Description
31 July 2014	Establishment of the Board Charter
28 June 2022	Revision