

## **D & O GREEN TECHNOLOGIES BERHAD**

Company. No: 200401006867 (645371-V)

(Incorporated in Malaysia)

### **BOARD CHARTER**

(Approved by Board on 25 August 2021)

#### **1) INTRODUCTION**

The Board of Directors (“Board”) of D & O Green Technologies Berhad (“D&O” or “the Company”) recognises corporate governance as being vital and important to the success of D&O’s and its group of companies’ (“Group”) businesses. The Board is the focal point of the Company’s corporate governance system. It is ultimately accountable and responsible for the performance and affairs of the Company. The Board’s fundamental approach in this regard is to ensure good governance is practised in all its business dealings with shareholders and stakeholders.

As part of the Company’s corporate governance framework, the Board has formalised the Board Charter. This Board Charter shall form an integral part of each Director’s duties and responsibilities and to the extent practical, including the Directors of its subsidiaries.

The key values of the Company are set out in the Mission of the Group, i.e. “To provide design innovation and high quality Opto Semiconductors product, contributing towards a greener world”. Apart from that, the Board uphold the highest degree of good corporate governance in the discharge of its roles and responsibilities.

#### **2) PURPOSE**

This Board Charter provides guidance and clarity for Directors of the Company and its subsidiaries and Key Senior Management of the Group in their stewardship of the Company and its subsidiaries and their duties as well as the Board’s operating practices.

This Board Charter supplements and does not in any way supersede the provisions of the Company’s Constitution, the Companies Act 2016, the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad, the Capital Market and Services Act, 2007, Malaysian Code on Corporate Governance (“MCCG”), Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries and any other relevant legislations or regulations.

#### **3) BOARD STRUCTURE**

##### **3.1 Board Size and Composition**

The Company’s Constitution provide for a minimum of two (2) Directors and a maximum of twelve (12) Directors.

Based on MMLR, at any one time, at least two (2) or one-third (1/3) of the Board members of the Company, whichever is higher, shall be Independent Directors. If the number of Directors is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) must be used. In the event of any vacancy in the Board of Directors of the Company, resulting in non-compliance with the MMLR, the vacancy must be filled within three (3) months, from the date of non-compliance.

To comply with MCCG, the Board is to gradually increase the composition of Independent Directors to more than half of the Board of the Company within a reasonable timeframe of three (3) years from the date of this Charter.

The Board of the Company and its subsidiaries shall consist of qualified individuals possess the character, experience, integrity, competence and time to effectively discharge their respective roles and responsibilities with diversified knowledge, skills, experience and expertise as well as diversified age, ethic, race and gender.

In particular, at least two (2) major ethnic groups in Malaysia shall be represented in the Board of the Company. The Board had set sight to meet the requirement of at least 30% women representation on the Board of the Company within a reasonable timeframe of three (3) years from the date of this Charter and at least a female representation at the senior level of management at the Group. The board diversity requirements are guided by **Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director** approved by the Board.

If any Director holds views contrary to those of any of the other Directors on a matter discussed at a Board meeting, the Board minutes will be clearly reflected.

### 3.2 Appointment and Re-appointment

The appointment of a new Director of the Company and its subsidiaries (excluding the Directors appointed by other shareholders of the subsidiaries) should be considered and decided by the full Board, upon the recommendation from the Nomination Committee (“NC”). The NC will consider the required character, integrity, time commitment, skills, expertise, experience, other qualities and diversity which a potential Director can bring to the Board of the Company and its subsidiaries. In identifying candidates for appointment as Directors of the Company, other than relying on the recommendations from the existing Board members, Management and/or major shareholders, the Board will also explore independent sources to identify suitably qualified candidates.

It is the policy of the Board of the Company that active politician<sup>1</sup> shall not be appointed as a member of the Board of the Company and its subsidiaries.

The appointment and re-appointment of Director of the Company are governed by **Fit and Proper Policy** and **Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director** approved by the Board.

The appointment and re-appointment of Directors of its subsidiaries are guided by the Constitution of such subsidiaries as well as relevant corporation laws and regulations in respective jurisdiction. Such appointment and re-appointment of Directors are governed by **Fit and Proper Policy** and **Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director** approved by the Board.

The Director of the Company and its subsidiaries seeking for re-appointment shall abstain himself/herself from the review and assessment, discussion, deliberation

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<sup>1</sup> A person is considered politically active if he/she is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council, or division level in a political party in respective jurisdiction.

and voting at the meetings of the Board and Board Committee (if applicable) of the Company and its subsidiaries in relation to his/her re-appointment.

The term of office for Directors of the Company shall be as follows:

- a) New Directors shall hold office only until the next Annual General Meeting at which they will retire and be available for re-appointment.
- b) All Directors are subject to retirement by rotation and re-election by shareholders at least once in every three (3) years in accordance with the Company's Constitution and applicable regulations.

The term of office for Directors of its subsidiaries shall be governed by the Constitution of such subsidiaries and relevant corporation laws and regulations in respective jurisdiction.

The Board of the Company should ensure shareholders of the Company have the information they require to make an informed decision on the appointment and reappointment of a Director of the Company, including but not limited to, name, age, gender, working experience and any conflict of interest as well as directorship in other companies. The Board should provide a statement as to whether it supports the appointment or reappointment of a person on the Board of the Company and the supporting reasons.

### **3.3. New Directorship**

All Board members of the Company shall notify the Chairman of the Board of the Company before accepting any new directorship outside the Group or significant commitments outside the Group. The notification shall include an indication of the time that will be spent on the new appointment.

The Chairman of the Company shall also notify the Board if he or she has any new significant commitments outside the Group.

All Directors of the Company are expected to make proper and timely disclosure of new directorship to the Company Secretary. All Directors of the Company shall be subject to the requirements of sole-proprietorship, partnership, executive directorship and non-executive directorship per **Fit and Proper Policy** and in any event, should not hold more than 5 directorships in public listed companies.

### **3.4 Independence of Director**

The Independent Director of the Company is one who is independent and free from any business or other relationship that could interfere with the exercise of independent judgment or the ability to act in the best interest of the Group, and is willing to express his/her opinions at the Board table free of concern about his/her position or the position of any third party. The Board of the Company believes that it is impossible and/or impractical to formulate a list of criteria which is appropriate to characterise, in all circumstances, whether a Non-Executive Director is independent and choose to recognise amongst others, the spirit, intention, purpose and attitude of each Non-Executive Director to be considered as exhibiting independent judgment or the ability to act in the best interest of the Company. In determining/assessing the 'independence' of its Directors, the Company adopts the provisions of the MMLR as follows:-

- i. Is not an Executive Director of the Company or any related corporation of the Company (each corporation is referred to as “said Corporation”);
- ii. Has not been within the last 3 years and is not an Officer (except as an Independent Director) of the said Corporation;
- iii. Is not a major shareholder of the said Corporation;
- iv. Is not a family member of any Executive Director, Officer or major shareholder of the said Corporation;
- v. Is not acting as a nominee or representative of any Executive Director or major shareholder of the said Corporation;
- vi. Has not been engaged as a professional adviser by the said Corporation or is not presently a partner, Director (except as an Independent Director) or a major shareholder, as the case may be, of a firm or corporation (“Entity”) which provides professional advisory services to the said Corporation within the last three (3) years; and
- vii. Has not been engaged in any transaction with the said Corporation or is not presently a partner, Director or a major shareholder, as the case may be, of the Entity (other than subsidiaries of the Company) which has engaged in any transaction with the said Corporation within the last three (3) years.

The appointment, re-appointment and annual independence and objectivity assessment of the Independent Director are governed by **Fit and Proper Policy, Policy and Procedure on Nomination and Appointment of Director and Key Senior Management and Re-Appointment of Director** and **Policy on Independence Assessment of Independent Directors** approved by the Board.

The Board shall assess the independence of Independent Directors on an annual basis or when any new interest or relationship develops. Director is required to inform the Chairman of the Board of the Company immediately if he/she believes that he/she may no longer be independent.

The Independent Director of the Company shall abstain himself/herself from the review and assessment, discussion, deliberation and decision at the meetings of the Board and Board Committee (if applicable) of the Company in relation to his/her independence assessment.

### **3.5 Tenure of Independent Directors**

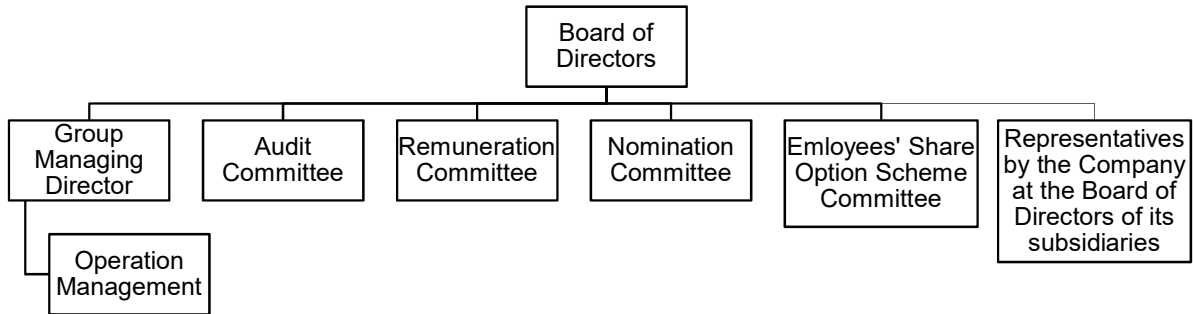
The tenure of an Independent Director should not exceed a term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve the Board subject to the Director’s re-designation as a Non-Independent Director.

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

To justify retaining an Independent Director beyond the term limit of nine (9) years, the Board should undertake a rigorous review to determine whether the “independence” of the Director has been impaired governed by **Policy on Independence Assessment of Independent Directors**. Findings from the review should be disclosed to the shareholders in the notice of general meeting for them to make an informed decision.

The Board is to gradually implement the policy to limit the tenure of its Independent Directors to nine (9) years within a reasonable timeframe of three (3) years from the date of this Charter.

### 3.6 Governance Structure of Board and Board Committee



### 3.7 Qualification, Vacation of Office and Removal of Directors

No person should be appointed or allowed to act as a Director or be involved whether directly or indirectly in the management of the Company, including acting in an advisory capacity, if he/she:-

- a) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation;
- b) has been convicted by a court of law, whether within Malaysia or elsewhere, of an offence, involving bribery, fraud or dishonesty or where the conviction involved a finding that he/she acted fraudulently or dishonestly; or
- c) has been convicted by a court of law of an offence under the securities laws or the corporations laws of the Company's place of incorporation,

within a period of five (5) years from the date of conviction or if sentenced to imprisonment, from the date of release from prison, as the case may be.

The office of a Director will become vacant if the Director:-

- i) falls within the circumstances set out in Section 208 of the Companies Act;
- ii) is absent from more than 50% of the total Board of Directors' meetings held during a financial year; or
- iii) is convicted by a court of law, whether within Malaysia or elsewhere, in relation to the offences set out in subparagraphs (a), (b) or (c) above.

For the purposes of subparagraph (ii) above, if a Director is appointed after the commencement of a financial year, then only the Board of Directors' meetings held after his/her appointment will be taken into account.

Where a Director is removed from office, the Company must forward to the Bursa Malaysia Securities Berhad a copy of any written representations made by the Director concerned at the same time as copies of such representations are sent to members of the Company under Section 207(3)(b) of the Companies Act, unless copies of such representations need not be sent out by reason of the circumstances specified in Section 207(5) of the Companies Act.

#### **4) ROLE AND RESPONSIBILITIES**

##### **4.1 Role and Responsibilities of the Board of the Company**

The Board of the Company and its subsidiaries should provide leadership and vision to the Company and its subsidiaries, in a way that will enhance shareholders' value and ensure the long-term sustainable development and growth of the Group.

The Board of the Company shall monitor the performance of the Directors of the Company and its subsidiaries and Key Senior Management of the Group in accordance with any duties and obligations imposed upon the Board of the Company and its subsidiaries by law, respective Constitution or other applicable regulations.

The Board of the Company assumes, amongst others, the following duties and responsibilities:-

- i) Establishing and reviewing the strategic direction of the Group (including its subsidiaries);
- ii) Together with the Directors of its subsidiaries and Key Senior Management of the Group, promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- iii) Reviewing, challenging and deciding on proposals by the Directors of the Company and its subsidiaries and Key Senior Management of the Group, and monitoring its implementation by the Directors of the Company and its subsidiaries and Key Senior Management of the Group;
- iv) Overseeing the conduct of the business of the Group (including its subsidiaries) and to evaluate whether the business is being properly managed;
- v) Understanding the principal risks of the Group's (including its subsidiaries) business and recognising that business decisions involve the taking of appropriate risks;
- vi) Identifying principal risks faced by the Group (including its subsidiaries) and ensuring the implementation of appropriate controls and systems to monitor and manage these risks. This includes establishing sound risk management framework based on internationally recognised framework and reviewing procedures to identify the main risks associated with the Group's (including its subsidiaries) businesses and the implementation of appropriate systems to manage and mitigate these risks;
- vii) Overseeing the development and implementation of Corporate Disclosure Policy and Sustainability Policy for the Group (including its subsidiaries) to enable effective communication with stakeholders;

- viii) Overseeing the implementation of internal and external stakeholders engagement by the Company and its subsidiaries;
- ix) Reviewing the adequacy and the integrity of internal control system and management information systems (including information and communication system and systems for ensuring compliance with applicable laws, regulations, rules, directives and guidelines) of the Company and its subsidiaries and that integrity of the Group's financial and non-financial reporting (including subsidiaries) is preserved for decision making and external compliance purposes;
- x) Regularly evaluating economic, environmental, social and governance issues ) of the Company and its subsidiaries and any other relevant external matters that may influence or affect the development of the business or the interests of the stakeholders and to ensure that the strategic plan of the Company and its subsidiaries supports long term sustainability;
- xi) Taking appropriate action to ensure stay abreast with and understand the sustainability issues relevant to the Company and its subsidiaries and its business, including climate-related risks and opportunities.
- xii) Reviewing the policy and procedures for appointment and re-appointment of Director of the Company and its subsidiaries and appointment of member of Key Senior Management of the Group that such Director or member of Key Senior Management possess the required character, experience, integrity, competence and time to:
  - effectively and diligently discharge their responsibilities and duties and contribute to the proper governance of the Company and its subsidiaries;
  - manage the Group's business activities and affairs in the best interests of its stakeholders; and
  - ensure that succession planning of the future Directors of the Company and its subsidiaries and Key Senior Management of the Group are in place.
- xiii) Reviewing the Code of Ethics and Conduct of the Company and its subsidiaries and implementing appropriate internal control system to support, promote and ensure its compliance;
- xiv) Reviewing and approving formal and transparent remuneration policy and procedure to attract and retain Director of the Company and its subsidiaries and member of Key Senior Management of the Group; and
- xv) Reviewing the adequacy and effectiveness of the Group's Anti-Bribery and Corruption Management ("ABCM") system including promoting appropriate anti-bribery and corruption culture within the Group.

The Board acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the Group's Mission and Vision, that employees are invaluable assets of the Group and that the Group should play a role in contributing towards the welfare of the community in which it operates.

## 4.2 Matters Reserved for the Board of the Company

The following are matters specifically reserved for the Board of the Company:-

- a) Approval of separate and consolidated financial statements of the Company and its subsidiaries and public statements which reflect significant issues of the Group's policy or strategy;
- b) Approval of interim dividend and recommendation of final dividend of the Company, if any, for shareholders' approval;
- c) Approval of the strategy, business plans and annual budgets (including major capital commitments) of the Company and its subsidiaries and of any subsequent material changes in strategic direction or material deviations in business plans by the Company and its subsidiaries;
- d) Approval of any significant changes in accounting policies and practices of the Company and its subsidiaries;
- e) Approval of material acquisitions and disposal of assets not in the ordinary course of business of the Company and its subsidiaries;
- f) Changes relating to the capital structure, including but not limited to, reduction of capital, share and other securities issues (except under employee share option schemes) and share buy-backs (including the use of treasury shares) (including the terms and conditions of such changes in capital structure) of the Company and its subsidiaries (if involve subscription of new shares by the Company);
- g) Approval to raise or increase borrowing facilities involving substantial amounts of the Company and its subsidiaries;
- h) Changes to the structure, size and composition of the Board of the Company and its subsidiaries, following recommendations from the Nomination Committee;
- i) Review of conflict-of-interest issues relating to a substantial shareholder or a Director of the Company and its subsidiaries;
- j) Review of risk management policies, including delegated authority limits of the Company and its subsidiaries;
- k) Review of the overall corporate governance practices of the Company and its subsidiaries;
- l) Appointment and removal of the Company Secretary of the Company and its subsidiaries;
- m) Establishment of Board Committees of the Company and its subsidiaries (to the extent applicable), their membership, delegated authorities and the terms of reference;
- n) Assessment of performance of the Director, Board and Board Committees of the Company and member of Key Senior Management of the Group;



- o) Approval of remunerations payable in relation to the contract of employment of the Director of the Company and its subsidiaries (excluding the Directors appointed by other shareholders of the subsidiaries) and member of Key Senior Management of the Group, as recommended by the Remuneration Committee;

Approval of Board members' fees and benefits payable to the Director of the Company and its subsidiaries, as recommended by the Remuneration Committee and which shall ultimately be approved by the shareholders of the Company and its subsidiaries in a general meeting;

- p) Review the implementation of any employee share option scheme of the Company and its subsidiaries (if involve allotment to a Director, major shareholder or Chief Executive of the Company, including person connected to such persons<sup>2</sup>), the rules applicable to any such scheme and any amendments to such rules for recommendation to the shareholders of the Company for approval.
- q) Review and approve the implementation of any employee share option scheme of the subsidiaries (except involve allotment to a Director, major shareholder or Chief Executive of the Company, including person connected to such persons per (p) above), the rules applicable to any such scheme and any amendments to such rules.
- r) Review and approve (as applicable) amendments to the Constitution of the Company and its subsidiaries and recommend such amendments to the shareholders of the Company and its subsidiaries respectively for approval (as the case maybe);
- s) Recommend the convening of general meetings of shareholders of the Company, including recommending to the shareholders that any ordinary or special resolutions in respect of the Company;
- t) Approve the issuance prospectuses, circulars, takeover or merger documents or other regulatory documentations in relation to corporate exercise involving the Company and its subsidiaries; and
- u) Review and approve prosecution, defence or settlement of legal or arbitration proceedings where material (except in the ordinary course of business) involving the Company and its subsidiaries.

The Board of the Company and its subsidiaries is to ensure that matters of its subsidiaries reserved for the Board of the Company are to be included in the subsidiary's constitution or formal policies and procedures.

### **4.3 Role of and Responsibilities of Chairman**

There is a clear division of responsibility between the Chairman and Group Managing Director of the Company to ensure there is a balance of power and authority. The positions of Chairman and Group Managing Director are held by different individuals within the Group. The Chairman of the Board should not be a

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<sup>2</sup> If undertaken by a principal subsidiary and results in, or could potentially result in, a dilution amounting to 25% or more of the Company's equity interest in the principal subsidiary under paragraph 8.21 of the MMLR; or very material and triggers the percentage ratio of 25% or more under paragraph 10.07 of the MMLR where it will be considered as a "disposal of asset" by the Company, due to dilution of its equity interest in the subsidiary.

member of the Audit Committee, Nomination Committee or Remuneration Committee of the Company.

The Chairman of the Company is responsible for :-

- a) The leadership of the Board in ensuring the effectiveness of all aspects of its role and leading the Board in adoption and implementation of good corporate governance practices in the Company.
- b) The efficient organisation and conduct of the Board's function, chairing Board meetings and encouraging all Directors to play an active role in Board activities;
- c) Taking the lead in setting the values and standards of the Company and its subsidiaries;
- d) Setting the Board agenda and ensuring complete and accurate information is furnished to the Directors on a timely basis to facilitate decision-making;
- e) Ensuring accurate and timely information, in particular, about the performance of the Company and its subsidiaries is furnished to the Directors of the Company;
- f) Chairing general meetings of shareholders and ensuring orderly conduct and proceedings of such meetings;
- g) Ensuring effective communication with shareholders and stakeholders; and
- h) Facilitating the contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors;
- i) Managing the interface between Board and management;
- j) Leading Non-Executive Directors to meet among themselves, with no presence of the Executive Directors and the Management, at least annually to discuss among other strategic, governance and operational issues;
- k) Ensuring general meetings support meaningful engagement between the Board, Key Senior Management and shareholders; and
- l) Ensuring shareholders have the opportunity to participate in general meetings effectively; including having access to information they require to participate in discussions and cast informed votes.

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

#### **4.4 Role and Responsibilities of Group Managing Director (including Executive Directors)**

The Group Managing Director (including Executive Directors) of the Company are responsible for the effective implementation of the Group's strategic plan and policies established by the Board of the Company, besides managing the operations of the Company and its subsidiaries.

Generally, the Group Managing Director (including Executive Directors) are responsible to the Board for the following key functions:-

- a) Manage the day-to-day operations of the Company and its subsidiaries according to the strategies and plans approved by the Board;
- b) Ensure the efficiency and effectiveness of the operations of the Company and its subsidiaries and that the business and affairs of the Company and its subsidiaries are carried out in an ethical manner and in compliance with the relevant laws and regulations;
- c) Develop strategies and business objectives for the Company and its subsidiaries for review and approval by the Board of the Company and implementation thereof;
- d) Achievement of the goals and observance of management authorities delegated by the Board of the Company;
- e) Ensure that the financial management practice of the Company and its subsidiaries is performed at the highest level of integrity and transparency;
- f) Ensure the Company and its subsidiaries have adequate resources, has an effective management team and structure, develop management skills and put in place an effective management succession plan for business continuity;
- g) Ensure that adequate and effective governance, risk management and internal control system for the Company and its subsidiaries are instituted;
- h) Design, implement (subject to approval by the Board of the Company) and continuously improve the Group's Anti-Bribery & Corruption Management ("ABCM") as well as ensuring sufficient resources is allocated for such implementation at the Company and the subsidiary level;
- i) Design, implement (subject to approval by the Board of the Company), continuously improve and promote the Group's sustainability management at the Company and the subsidiary level as well as ensuring sufficient resources is allocated for implementation thereof; and
- j) Implement group wide Code of Ethics and Conduct and policies and procedures as well as ensuring sufficient resources is allocated for such implementation at the Company and the subsidiary level.

#### **4.5 Role and Responsibilities of Senior Independent Director**

Senior Independent Director of the Company is appointed by the Board (of the Company) from among the Independent Directors to lead the Non-Executive Directors. The Senior Independent Director shall be reputable in the industry and corporate scene and possesses sufficient skills, knowledge and experience in the corporate directorship and industry.

Senior Independent Director should not be engaged in and should not be expected to be engaged in the day-to-day management of the Company and are expected to be vigilant guardians of the activities of the Board as a whole. They are required

to monitor the actions of management, and to do this, they must be independent of management.

In particular, the Senior Independent Director is:

- a) Sounding board for Chairman (e.g. offer counsel to the Chairman on matters such as board dynamics and concerns of stakeholders);
- b) Leads the annual review of the Chairman and Board effectiveness, ensuring that the performance of each individual Director is assessed objectively and holistically;
- c) Provides leadership support and advice to the Board in the event that the Board is undergoing a period of stress;
- d) Serves as an intermediary for other Directors when necessary;
- e) leads the succession planning and appointment of Board members and Key Senior Management;
- f) To handle complaints relating to Directors and other Key Senior Management;
- g) A conduit for other Independent Directors to voice their concerns;
- h) Acts as point of contact for shareholders and other stakeholders particularly on concerns which cannot be resolved through the normal channels of the Chairman and/or the Group Managing Director;
- i) Acts as independent channel for whistle blowers to direct reports/complaints, as identified in the Group's and its subsidiaries' (if applicable) Whistle Blowing Policy; and
- j) Ensuring the effective implementation of the Group's and its subsidiaries' (if applicable) Whistle Blowing Policy.

#### **4.6 Role and Responsibilities of Board Committees**

The Board of the Company may from time to time establish appropriate Committees to assist in discharging its fiduciary duties.

Board Committees operate under clearly defined terms of reference and are authorised by the Board of the Company to deal with and to deliberate on matters delegated to them within their terms of reference.

The Chairman of the respective Committees reports to the Board of the Company on the outcome of the Committee meetings and minutes of these meetings are made available to all Board members.

The following Committees have been established by the Board of the Company:-

- Audit Committee
- Remuneration Committee
- Nomination Committee

- Employees' Share Option Scheme Committee

#### **4.7 Role and Responsibilities of Company Secretary**

The Board of the Company and its subsidiaries (if applicable) is assisted by a professional qualified and competent Company Secretary (i.e. For Malaysia, who hold practising certificate issued under Companies Act and is member of the professional body or a person licensed by Companies Commission of Malaysia. For countries other than Malaysia, who hold required licence or certificate required under relevant corporation law in such jurisdiction to act as licensed Company Secretary) in the discharge of its functions with his/her attendance on all Board and Board's Committee meetings and advises the Board on its responsibilities, the Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretary should possess knowledge in company and securities law, finance, governance, company secretaryship and other areas of compliance such as the listing requirements. The Company Secretary should also undertake continuous professional development.

Generally, the Company Secretary of the Company is responsible to the Board for the following key functions:-

- a) To ensure that there is good information flow within the Board and between the Board, Board Committees and Key Senior Management.
- b) To facilitate the orientation of new Directors and assist in Directors' training and development.
- c) Entrusted to record the Board's deliberations, in terms of issues discussed, and the conclusions and the minutes of the previous Board and Committee meeting are distributed to the Directors within 30 days from the conclusion of such Board and Committee meeting for their perusal before confirmation of the minutes at the commencement of the following Board and Committee meeting.
- d) Provides guidance during general meetings and coordinates with the Board and other professionals to ensure that the proceedings of the upcoming general meeting are held in compliance with relevant laws, regulations and guidelines (including disclosure requirements).
- e) Acts as the reference point by the Board to provide guidance on the Board's roles and responsibilities and the compliance of the relevant corporate governance rules and guidelines as well as to provide professional advice on the level of corporate governance compliance within the Group.
- f) To serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

#### **5) BOARD MEETINGS**

The Board of the Company shall meet at least four (4) times annually scheduled in advance to facilitate planning. Additional meetings are convened as and when deemed necessary. The Board of its subsidiaries shall meet at required intervals in compliance with relevant corporation laws and regulations and other listing rules and requirements to discharge their roles and responsibilities under such laws, regulations, rules and

requirements or as and when the Board of its subsidiaries deems necessary to deliberate and decide on matters reserved for its decision.

The Chairman of the Company should ensure adequate time is allocated for discussion of issues tabled to the Board for deliberation. The Chairman of the Company should ensure the Board Committee meetings are not combined with the main Board meeting.

Directors of the Company should ordinarily receive a full agenda and Board papers at least 5 business days before each meeting. Directors of the Company are entitled to request additional information where they consider the information is necessary to support informed decision-making.

If necessary, Key Senior Management and external consultants will be invited to brief and assist the Directors of the Company.

The minutes of each Board meeting are kept by the Company Secretary of the Company and its subsidiaries and are available for inspection by any Director of the Company and its subsidiaries during office hours.

All Directors of the Company and its subsidiaries should ensure that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including any dissenting views and if any Director had abstained from voting or deliberating on a particular matter.

## **6) FINANCIAL REPORTING**

In presenting the annual financial statements and quarterly announcements to the shareholders, including other price sensitive public reports and reports submitted to regulators, the Board of the Company and its subsidiaries (if applicable) is to present a balanced and understandable assessment of the Group's position and prospects. The Board of the Company and its subsidiaries is to ensure that financial reports prepared by the Company and its subsidiaries (as the case maybe) shall be able to relate to their understanding of the accounting policies adopted, business operations, business performance, financial conditions, changes in risk profile, internal and/or external business context for such financial period.

The Board of the Company and its subsidiaries is to ensure that the financial statement are prepared in accordance with the Companies Act 2016 or corporation laws in respective jurisdiction and applicable approved accounting reporting standards, so as to give a true and fair view of the financial performance and state of affairs of the Company, the Group and the subsidiaries.

## **7) ACCESS TO INFORMATION AND INDEPENDENT ADVICE**

Directors of the Company and its subsidiaries have full access to all resources, information and records of the Company and its subsidiaries (as the case maybe), collectively or individually.

The Board of the Company has established a procedure whereby Directors of the Company and its subsidiaries, collectively or individually, may seek independent professional advice in furtherance of their duties at the Company's or such subsidiary's expense.

Board members of the Company and its subsidiaries have unlimited access to the professional advice and services of the Company Secretary.

## **8) BOARD EVALUATION AND PERFORMANCE**

The Nomination Committee of the Company is entrusted by the Board of the Company to review the performance (including management of sustainability risks and opportunities) and effectiveness of the Board and Board Committees of the Company, including Chairman, individual Directors and Chief Financial Officer, on an annual basis. The Board of the Company is to engage independent experts at least once every three years to facilitate objective and candid Board evaluations to determine the effectiveness of the Board of the Company, its Board Committees, Chairman and each individual Directors. The Board of the Company should disclose how the assessment was carried out, its outcome, action taken and how it has or will influence Board composition.

NC and the Board should, based on the results of such performance evaluation and performance evaluation of Directors at subsidiary level (if applicable), consider whether the current composition of the Board of the Company and its subsidiaries and the tenure of each Director on the Board of the Company and its subsidiaries can meet its current and future requirements and needs from strategic, sustainability, operational and changes in internal and external business context, as well as to consider the need to bring new skills and perspectives to the boardroom of the Company and its subsidiaries based on such requirements and needs identified.

## **9) BOARD REMUNERATION**

The Board is assisted by the Remuneration Committee in assessing and recommending suitable remuneration for Directors of the Company and its subsidiaries and Key Senior Management of the Group in accordance with Board and Key Senior Management Remuneration Policy.

## **10) DIRECTORS' TRAINING AND CONTINUING EDUCATION**

In addition to the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad for Directors of the Company, the Directors of the Company and its subsidiaries is to update their knowledge and enhance their skills through attending training programmes and field trips. The Nomination Committee will base on the result from Board Evaluation and Performance to assess the training needed (including the knowledge and skill sets required to perform its oversight role in relation to sustainability management) and recommend to the Board of the Company to ensure the Directors of the Company have access to continuing education programme relevant to their discharge of fiduciary duties. The training needs of the Directors at the subsidiary level shall be determined by the Board of such subsidiary based on the results of the performance evaluation (if applicable).

## **11) GENERAL MEETING AND ATTENDANCE**

All Directors of the Company are required to attend the general meetings except there is a valid reason accepted by the Board to ensure that the effective communication between the Board and the shareholders is established. Notice for the Annual General Meetings of the Company is to be given to shareholders at least 28 clear days prior to the meeting. Minutes of the general meeting of the Company should be circulated to shareholders or published on the corporate website of the Company no later than 30 business days after the general meeting (including key matters discussed during the annual general meeting, if any).

The Chairman of the Board of the Company is to ensure that general meetings support meaningful engagement between the Board, Key Senior Management and shareholders. The engagement should be interactive and among others should include robust discussion on the Company's financial and non-financial performance as well as the Company's long-term strategies.

The Board of the Company, particularly the Chairman is to ensure that shareholders have the opportunity to participate in these meetings effectively, including having access to information they require to participate in discussions and cast informed votes in relation to the proposed resolutions. Shareholders of the Company should also be provided with sufficient opportunity to pose relevant and pertinent questions in relation to the proposed resolutions during the general meeting and all such questions should receive a meaningful response.

In facilitating greater shareholder participation, the Company is to leverage technology to facilitate electronic voting and remote shareholder participation at general meetings. Recommended privacy and cybersecurity practices are to be put in place by the Board of the Company including data privacy and security to prevent cyber threats. The Board must also ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the Board, Key Senior Management and shareholders.

## **12) STAKEHOLDERS' ENGAGEMENT**

The Board of the Company shall establish a channel of investor relations where shareholders and investors can continue to share pertinent feedback and questions outside of the general meeting and receive the appropriate response. If time does not permit for further discussions during the general meeting, the Board of the Company should leverage such channel to communicate with the shareholders.

In addition to the channel for investor relations mentioned above, the Board of the Company shall establish a channel for stakeholders to provide their views and feedback including complaints, as well as for the Group to address stakeholders' views, feedback or complaints received appropriately.

## **13) CONFLICT OF INTEREST**

The Board of the Company shall ensure that all actual, potential or perceived conflict of interest between any Director (including persons connected to him/her) and the Company as well as the Company and its subsidiaries are managed and mitigated per **Conflict of Interest and Related Party Transaction Policy**. A Director of the Company and its subsidiary shall abstain himself/herself from the review, discussion, deliberation and decision during any meeting on the matter or transaction if he/she (including persons connected to him/her) is a party to the interested matter or transaction.

## **14) CODE OF ETHICS AND CONDUCT**

The Board of the Company and its subsidiaries, in discharging its role, is guided by the Code of Ethics and Conduct for Directors ("the Code"). The Code requires Directors to observe high ethical business standards, honesty and integrity. Directors are required to apply these values to all aspects of the Company's businesses and act in good faith in the best interests of the Company and its stakeholders. When a Director who is appointed by virtue of his/her position as a representative of a shareholder, he/she must act in the best interest of the Company in which he/she sits as a Board member. In the event of any conflict between his/her duty to act in the best interest of the Company and



his/her duty to his/her nominator, he/she must act in the best interest of the Company.

In the performance of his/her duties, a Director of the Company and its subsidiaries should at all times observe the following standards of conduct:-

- a) A Director must have a clear understanding of the aims and objectives, capabilities and capacity of the Company;
- b) A Director should maintain a sound understanding of the business, and keep abreast of relevant developments to ensure he/she is able to discharge his/her duties and responsibilities effectively;
- c) A Director must act honestly, in good faith and in the best interests of the Company as a whole.
- d) A Director must use his/her powers for a proper purpose and in good faith in the best interest of the Company.
- e) A Director must use reasonable care, skill and diligence in discharging his/her duties.
- f) A Director should devote adequate time to the Company's activities.
- g) A Director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders of the Company.
- h) A Director must not make improper use of the information acquired as a Director.
- i) A Director must not take improper advantage of his/her position as Director.
- j) A Director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company.
- k) A Director has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.
- l) A Director must ensure his/her decisions and the basis for those decisions, including any dissenting views are made known and properly minuted.
- m) A Director should avoid all actual, potential or perceived conflict of interest (including persons connected to him/her) whether directly or indirectly with the Company and if present, to disclose such conflict of interest immediately to the Chairman.
- n) A Director can seek independent and/or external expert advice in accordance with the Company's policy.
- o) A Director should not engage in conduct that will likely bring discredit upon the Company.
- p) A Director should prepare for Board and Board Committee meetings, contribute constructively to Board and Board Committee discussions and decision-making, and conduct due inquiry before approving a matter.
- q) A Director is to ensure key transactions or critical decisions are deliberated and decided on by the Board and Board Committee (if applicable) in a meeting.
- r) A Director must not accept a benefit from or provide a benefit to a third party by the reason of him/her being a Director or him/her doing something or refraining from doing anything as a Director, unless he/she is permitted to do so by the Company's Constitution or the Group's or the Company's Code of Ethics and Conduct and it is not contrary to any written laws and regulations.

The Company and its subsidiaries and its Board must ensure the maintenance of proper accounting records and other records (with the retention period of not less than seven years from the completion of the transactions or operations to which the entries or records relate) to:-

- a) sufficiently explain the business, transactions and financial position of the Company, its subsidiaries and the Group as a whole;
- b) enable the preparation of true and fair financial statements; and

- c) enable the accounting and other records of the Company, its subsidiaries and the Group to be conveniently and properly audited.

Where the financial statements of a subsidiary are required to be consolidated into the financial statements of the Company, the subsidiary and the Board of such subsidiary must also provide the Company with all information and record necessary to enable the preparation of the consolidated financial statements in accordance with the approved accounting standards.

## **15) GROUP GOVERNANCE**

The Board of the Company is to:-

- a) ensure there are adequate group wide Code of Ethics and Conduct and policies and procedures applied to the Company and its subsidiaries so that it is able to discharge its responsibilities including oversight of Group's financial and non-financial performance, business strategy and priorities, risk management including material sustainability risks, and corporate governance policies and practices.
- b) establish and ensure the group wide policies and procedures on corporate governance include a Code of Ethics and Conduct, policies and procedures on anti-corruption, whistleblowing, managing conflict of interest, managing material sustainability risks, and board diversity including gender diversity.

A subsidiary of the Company and its Board must provide the Company with any information requested by the Company to enable the Board of the Company to oversee the performance of such subsidiary effectively, including assessing non-financial performance of such subsidiary and group wide.

## **16) REVIEW OF THE BOARD CHARTER**

The Board Charter will be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.