

ORNAPAPER BERHAD

(Company No: 200201006032 (573695-W)
(Incorporated in Malaysia)

BOARD CHARTER

(Version: 1.1)

(Approved by the Board of Directors of the Company on 15 November 2024)

1. INTRODUCTION

The Board of Directors (“the Board”) of Ornapaper Berhad (“Ornapaper” or “the Company”) is firmly committed that accountability and transparency at every level of the organisation are essential in safeguarding assets, enhancing shareholders’ value and maintaining strong financial performance. The Board of the Company also recognises corporate governance as being vital and important to the success of Ornapaper’s and its group of companies (“the 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. As part of the Company’s corporate governance framework, the Board has formalised the Board Charter. This Board Charter shall constitute, and form, an integral part of each Director’s duties and responsibilities and to the extent practical, including the Directors of its subsidiaries.

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 (“Bursa Securities”), the Capital Market and Services Act, 2007, Malaysian Code on Corporate Governance (“MCCG”) issued by Securities Commission Malaysia (“SC”), Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries and any other relevant legislations or regulations.

2. OBJECTIVES

The objectives of this Board Charter are to ensure that Directors of the Company and its subsidiaries and Key Senior Management of the Group are aware of their fiduciary duties and responsibilities and various legislations and regulations affecting their conduct and that the highest standards of Corporate Governance are applied in all their dealings in respect, and on behalf of the Group.

3. CORE VALUES, MISSION AND VISION

The Company prides itself as a supplier of superior products, with excellent customer service and reasonable pricing as its fundamentals, thus gaining support from all its wide-ranging customers. As such, based on progressive management techniques and strong teamwork, the Company set goals for continuous improvement in technical know-how and professionalism.

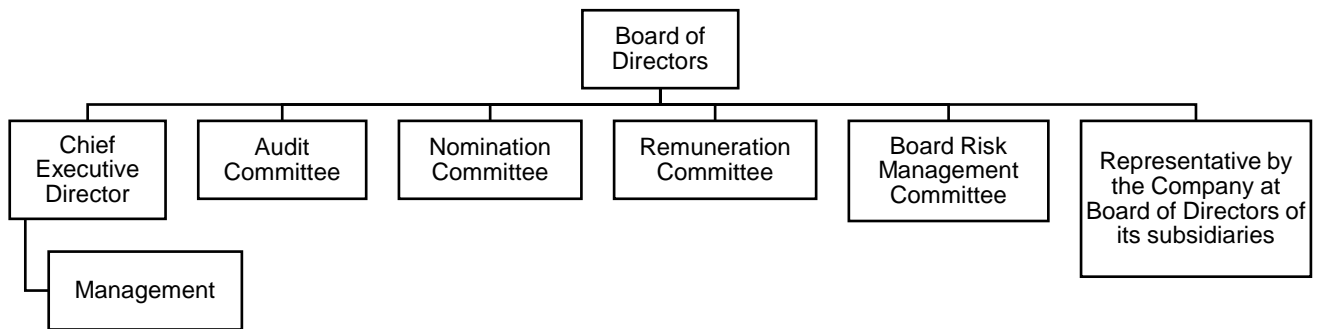
The Mission of the Group is:

- Be a leading provider of packaging and related solution through improving and strengthening of our operational core competence.
- Co-exist with the society as a guardian of our environment in our recycling program and waste control.
- Leverage on teamwork to attain extraordinary results.
- Instil integrity and honesty in Organization’s work culture.

The Vision of the Group is:

- A world class corrugated board and carton manufacturer.
- A leader in the industry.
- As best business partner for our customers offering best customer service and achieving optimum cost and sales value.

4. BOARD STRUCTURE



4.1. BOARD SIZE AND COMPOSITION

- a) The Board composition is governed by the Constitution of the Company. The Board shall comprise at least two (2) Directors and not more than twelve (12) Directors, in accordance with Article 118 of the Constitution of the Company.
- b) The Board of the Company and its subsidiaries shall consist of qualified individuals who 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, ethnic, race and gender to effectively discharge its stewardship responsibilities in spearheading the Group's growth and future direction. The roles and responsibilities of Directors in setting the Group's strategy and ensuring its implementation are guided by **Fit and Proper Policy**.
- c) The Board of the Company shall comprise at least one woman director. 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.
- d) In order to assert independence element and check and balance role to the Board of the Company, based on MMLR, at any one time, at least two (2) Directors or one-third (1/3) of the Board of Directors 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.
- e) To comply with MCCG, at least half of the Board of the Company shall comprise of Independent Directors.

- f) Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. The re-election of the retiring Directors of its subsidiaries shall be governed by the Constitution of such subsidiaries.
- g) Only executive directors will be engaged on service contracts under permanent employment. Upon the expiry of his or her tenure of service or resignation of employment, the Board may also, on the recommendation of the Nomination Committee ("NC") and if considered appropriate, appoint him as a Non-Executive Director.
- h) In the event the executive director's service contract with the Company and/or its subsidiaries is terminated before the expiry of his or her tenure for any reason whatsoever, such executive director is expected to resign from the Board.

4.2. APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

- a) The appointment of a new Director of the Company and its subsidiaries (excluding the Directors appointed by other shareholders of the subsidiaries) is a matter for consideration decision by the full Board upon appropriate recommendation from NC. The nomination and election of a new Director is governed by structured nomination and election process delegated to NC with ultimate responsibility and authority lies with the Board.
- b) The Board shall not solely rely on recommendations from existing Board members, Management and/or major shareholders for identifying candidates for the appointment of Director of the Company and to utilise independent sources to identify suitably qualified candidates.
- c) In proposing of the appointment of a potential Director, NC shall consider the required character, experience, integrity, competence and time commitment which the potential Director can bring to the Board of the Company and its subsidiaries.
- d) It is the policy of the Board of the Company that active politician shall not be appointed and re-appointed as a member of the Board of the Company and its subsidiaries. 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.
- e) 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.
- f) 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 jurisdictions. 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.

- g) The Director of the Company and its subsidiaries seeking for re-appointment shall abstain himself/herself from the review and assessment, discussion, deliberation 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.
- h) The term of office for Directors of the Company shall be as follows:
 - i) New Director(s) shall hold office only until the next Annual General Meeting at which they will retire and be available for re-appointment.
 - ii) In accordance with the MMLR and the Company's Constitution, at least one-third (1/3) of the Directors or the number nearest to one-third (1/3), shall retire by rotation at each Annual General Meeting and at least once every three (3) years. The Directors retiring from office shall be eligible for re-election by the shareholders.
- i) 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.
- j) 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 re-appointment with the provision of supporting justifications.

4.3. QUALIFICATION, VACATION OF OFFICE AND REMOVAL OF DIRECTORS

- a) 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:-
 - i) 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;
 - ii) 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
 - iii) 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.
- b) 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 2016;
 - 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 4.3 (a) (i), (ii) or (iii) above.
- c) For the purposes of subparagraph 4.3 (b) (ii) above, if a Director is appointed after the commencement of a financial year, then only the Board's meetings held after his/her appointment will be taken into account.

- d) Where a Director is removed from office, the Company must forward to Bursa Securities 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 2016, unless copies of such representations need not be sent out by reason of the circumstances specified in Section 207(5) of the Companies Act 2016.

4.4. TIME COMMITMENT

- a) For the Board of the Company and its subsidiaries to operate effectively and efficiently, each Board member of the Company and its subsidiaries are expected to devote sufficient time and effort to discharge their individual responsibilities with reasonable due care, skills and diligence. All Board members of the Company and its subsidiaries shall notify the Chairman of the Board of the Company (in the case of the Chairman of the Company, to the Board as a whole) before accepting any new directorship outside the Group or significant commitment outside the Group. The notification shall include an indication of the time that will be spent on the new appointment.
- b) On the appointment of a new Director, such a new Director is required to commit sufficient time in order to discharge his/her duty and responsibility with reasonable due care, skills and diligence with the indication of time commitment to the Chairman of the Board of the Company.
- c) 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 five (5) directorships in public listed companies.

4.5. INDEPENDENT DIRECTOR

- a) The Independent Director of the Company is one who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company and 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. In determining/assessing the independence of each Independent Director, the Company adopts the definition of "independent director" per Paragraph 1.01 and Practice Note 13 of the MMLR.
- b) The MMLR emphasises that even if a person does not fall within any of the disqualifying indicators enumerated in Paragraph 1.01 of the MMLR, both the Director and the Board must give effect to the spirit, intention and purpose of the definition of "independent director". There must be a conscious application of the appropriate test of whether the Director is able to exercise independent judgment and act in the best interests of the Company and Group.
- c) The Board of the Company shall assess the independence of Independent Directors on annual basis or when new interest or relationships develops. Independent

Directors are expected to inform the Chairman of the Board of the Company immediately if he/she believes that he/she may no longer be independent.

- d) The appointment, re-appointment and annual independence and objectivity assessment of the Independent Directors 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.
- e) 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.

4.6. TENURE OF INDEPENDENT DIRECTORS

- a) The cumulative tenure of an Independent Director should not exceed a period of twelve (12) years from the date of his/her first appointment. After serving for nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain the Independent Director beyond nine (9) years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process.
- b) To justify retaining an Independent Director beyond the term of nine (9) years and up to twelve (12) 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** approved by the Board. Findings from the review should be disclosed to the shareholders in the notice of general meeting, allowing them to make an informed decision.

5. ROLES AND RESPONSIBILITIES

5.1 ROLES, RESPONSIBILITIES AND AUTHORITIES OF THE BOARD OF THE COMPANY

- a) The Board of the Company and its subsidiaries are responsible for the proper stewardship of the Group to provide reasonable assurance for the success of the Group in a sustainable manner. The Board of the Company and its subsidiaries are tasked with realisation of long-term and sustainable shareholders' value and safeguarding the interests of stakeholders.
- b) The Board of the Company assumes the following roles and responsibilities (but not limited to):
 - i) Set the key values, corporate objectives, and ethos of the Group (including its subsidiaries);
 - ii) Review and approve strategic plans for the Group (including its subsidiaries) and ensure that such strategic plans are consistent with corporate objectives and support long-term value creation and include strategies on economic, environmental and social considerations underpinning sustainability;

- iii) Oversee the conduct of the Group's (including its subsidiaries) business and evaluate whether the business is being properly managed;
- iv) Review, challenge and decide on the Group's overall corporate strategy, budgets, plans and policies proposed by the Directors of the Company and its subsidiaries and Key Senior Management of the Group, and monitor the implementation of such proposals;
- v) Together with the Directors of its subsidiaries and Key Senior Management of the Group, promote good corporate governance culture and practices within the Group which reinforces ethical, prudent and professional behaviour;
- vi) Identify principal risks of the Group (including its subsidiaries) and ensure the implementation of appropriate internal controls and mitigation measures by the Directors of the Company and its subsidiaries and Key Senior Management of the Group;
- vii) Set the risk appetite within which the Board of the Company expects Management to operate and to ensure there is a sound risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- viii) Ensure adequate training are provided to the Board's members of the Company and its subsidiaries and Key Senior Management of the Group;
- ix) Ensure all Directors of the Company and its subsidiaries are able to understand financial statements and form a view on the information presented;
- x) Review the policy and procedures for appointment and re-appointment of Director of the Company and its subsidiaries and appointment of Key Senior Management of the Group that such Director or 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, and
 - manage the Group's business activities and affairs in the best interests of its stakeholders;
- xi) Ensure that succession planning of the future Directors of the Company and its subsidiaries and Key Senior Management of the Group are in place;
- xii) Ensure formal and transparent remuneration policy and procedure is established to attract and retain Directors of the Company and its subsidiaries and Key Senior Management of the Group and the remuneration packages are measured against their contributions, performance (including performance in relation to sustainability management) and long term sustainability of the Group;
- xiii) Oversee the development and implementation of Corporate Disclosure Policy for the Group (including its subsidiaries) to enable effective communication with stakeholders and in compliance with relevant laws and regulations;
- xiv) Oversee the implementation of internal and external stakeholder engagement by the Company and its subsidiaries to ensure inputs are obtained from the stakeholders on the economic, environmental and social matters and potential risks in relation to the businesses of the Group and the interests of the all affected stakeholders are taken care of;
- xv) Review the adequacy and integrity of the internal controls system and management information system (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;
- xvi) Ensure the integrity of the Group's financial and non-financial reporting (including subsidiaries) is preserved for decision-making and external compliance purposes;
 - xvii) Oversee the development and implementation of Sustainability Policy for the Group (including its subsidiaries) to manage economic, environmental and social matters in relation to the businesses of the Group and to ensure that the strategic plan of the Company and its subsidiaries supports long term sustainability (including evaluate economic, environmental and social matters of the Company and its subsidiaries regularly and take appropriate action to ensure the Directors and Key Senior Management stay abreast with and understand the sustainability issues relevant to the Company and its subsidiaries and its business, including climate-related risks and opportunities);
 - xviii) Regular review of the division of responsibilities among the Board, Board Committees, Chairman, CED and authorities delegated to Management through CED;
 - xix) Ensure the Code of Conduct of the Company and its subsidiaries promote the core values of the Group established by the Board and ensure the implementation of appropriate internal control system to support, promote and ensure its compliance;
 - xx) Oversee the development and implementation of Whistleblowing Policy for the Group (including its subsidiaries) to ensure that genuine concerns are objectively investigated and addressed with appropriate corrective actions; and
 - xxi) Review 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.

5.2 MATTERS RESERVED FOR THE BOARD OF THE COMPANY

- a) Key matters reserved for the Board's approval include the following:
 - i) Review and approve the separate and consolidated financial statements of the Company and its subsidiaries encompassing annual audited accounts and quarterly reports;
 - ii) Review and approve the interim dividend and recommendation of final dividend of the Company, if any for shareholders' approval;
 - iii) Approval of 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;
 - iv) Review and approve of annual business plan of the Company and its subsidiaries and any subsequent material changes in strategic direction or material deviations in business plans by the Company and its subsidiaries;
 - v) Approval of any significant changes in accounting policies and practices of the Company and its subsidiaries;
 - vi) Review and approve of annual financial budget (including major capital commitments) of the Company and its subsidiaries;

- vii) Review and approve of material capital expenditure and acquisition or disposal of material fixed assets of the Company and its subsidiaries;
- viii) Approval of acquisition or disposal of material investment, associate company or subsidiary;
- ix) Changes to the structure, size and composition of the Board of the Company and its subsidiaries, following recommendations from NC;
- x) Review of conflict of interest issues relating to a substantial shareholder or a Director of the Company and its subsidiaries;
- xi) Review and approve of risk management policies, including delegated authority limits of the Company and its subsidiaries;
- xii) Review of the overall corporate governance practices of the Company and its subsidiaries;
- xiii) Approve the appointment, resignation and removal of the Company Secretaries of the Company and its subsidiaries;
- xiv) Approve the appointment of external auditors and their related fees;
- xv) Approval of the establishment of Board Committees of the Company and its subsidiaries (to the extent applicable), their membership, delegated authorities and the terms of reference;
- xvi) Assessment of performance of the Directors, Board and Board Committees of the Company and member of Key Senior Management of the Group;
- xvii) 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 ("RC");
- xviii) 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;
- xix) 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);
- xx) 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;
- xxi) Review and approve the Management Discussion and Analysis, Audit Committee Report, Statement on Risk Management and Internal Control and Sustainability Statement for the Annual Report;
- xxii) Prepare a Corporate Governance Overview Statement and Corporate Governance Report on compliance with the MCCG for the Annual Report;
- xxiii) Approve the issuance prospectuses, circulars, takeover or merger documents or other regulatory documentation in relation to corporate exercise involving the Company and its subsidiaries; and
- xxiv) 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.

5.3 ROLE AND RESPONSIBILITIES OF CHAIRMAN

- a) There is a clear division of responsibility between the Chairman of the Board and Chief Executive Director (“CED”) of the Company to ensure there is a balance of power and authority. The positions of Chairman and CED are held by different individuals within the Group. The Chairman of the Board should not be a member of the Audit Committee (“AC”), NC, RC or Board Risk Management Committee (“BRMC”) of the Company.
- b) The Chairman represents the Board to the stakeholders and acts as a facilitator at the meetings of the Board and ensures that no board member dominates the discussion, that appropriate discussion takes place and that relevant opinions among Board members are forthcoming.
- c) The following are the responsibilities of the Chairman of the Board:
 - i) Leading the Board in the adoption of good corporate governance practices in the Company and its subsidiaries,
 - ii) Providing leadership to the Board so that the Board can discharge its responsibilities effectively,
 - iii) Leading the Board in the oversight of the Management and ensuring its effectiveness in all aspects of its role;
 - iv) Ensuring the efficient organisation and conduct of the Board’s function, chairing Board meetings and discussions,
 - v) Setting the Board agenda and ensuring complete and accurate information is furnished to Directors on a timely basis to facilitate decision-making,
 - vi) Facilitating the effective contribution of all Directors at Board meetings by encouraging their active participation and allowing their dissenting views to be freely expressed;
 - vii) Promoting constructive and respectful relations within the Board, and managing the interface between the Board and Management;
 - viii) Ensuring appropriate steps are taken to provide effective communication with stakeholders and their views are communicated to the Board of the Company as a whole;
 - ix) Chairing general meetings of shareholders and ensuring orderly conduct and proceedings of such meeting;
 - x) Ensuring general meetings support meaningful engagement between the Board, Key Senior Management and shareholders;
 - xi) 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.
 - xii) Maintaining effective professional relationship with external parties, investing public, regulatory bodies and trade associations.
 - xiii) Facilitating the contribution of Non-Executive Directors and ensuring constructive relations be maintained between Executive and Non-Executive Directors; and
 - xiv) 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
- d) 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.

5.4 ROLE OF CHIEF EXECUTIVE DIRECTOR (“CED”) AND EXECUTIVE DIRECTORS

- a) The CED of the Company (including the Executive Directors) are accountable to the Board for the achievement of the corporate objectives and for the observance of management authorities. CED shall be head of the Management of the Group and answerable to the Board in that manner.
- b) The responsibilities of CED (including Executive Directors), are as follows but not limited to:
 - i) To develop strategies and business objectives for the Company and its subsidiaries for review and approval by the Board of the Company and implementation thereof;
 - ii) To implement other Board’s decision effectively and efficiently;
 - iii) To provide leadership in order to achieve the vision, management philosophy and business strategies;
 - iv) To ensure the efficiency and effectiveness of the day-to-day operations of the Company and its subsidiaries in accordance with authorities and delegations authorised by the Board of the Company;
 - v) To safeguard the assets of the Company and its subsidiaries;
 - vi) To ensure effective internal and external reporting of the Company and its subsidiaries;
 - vii) To 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 applicable laws and regulations;
 - viii) To assess business opportunities which are of potential benefit to the Company and its subsidiaries and to recommend major business opportunities for the Board of the Company’s consideration;
 - ix) To communicate material and relevant matters to the attention of the Board of the Company timely and accurately for decision making; and
 - x) To discharge the responsibilities delegated by the Board of the Company and to execute authorities delegated effectively and efficiently;
 - xi) Ensure that the financial management practice of the Company and its subsidiaries is performed at the highest level of integrity and transparency;
 - xii) 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;
 - xiii) Ensure that adequate and effective governance, risk management and internal control system for the Company and its subsidiaries are instituted;
 - xiv) Design, implement (subject to approval by the Board of the Company) and continuously improve the Group's ABCM as well as ensuring sufficient resources are allocated for such implementation at the Company and the subsidiary level;
 - xv) 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 are allocated for implementation thereof; and
 - xvi) Implement group-wide Code of Conduct and policies and procedures as well as ensure sufficient resources are allocated for such implementation at the Company and the subsidiary level.

5.5 ROLE OF NON-EXECUTIVE DIRECTORS (“NED”)

- a) The NEDs may be further classified into Independent NEDs (“INEDs”) and Non-Independent NEDs (“NINEDs”).
- b) INEDs are those who have no direct or indirect pecuniary interest in the Company other than the remuneration for their services as members of the Board and Board committees of the Company and the Group.
- c) NEDs are persons of calibre, credibility and have the necessary skill and experience to bring an independent judgement to bear on the issues of strategy, performance and resources, including key appointments and standards of conduct. For discharging the roles and responsibilities as a Board member: -
 - i) NEDs are required to make an independent assessment of the information, reports or statements, having regard to the Directors’ knowledge, experience and competence, to provide an independent view and demonstrate objectivity in reviewing and challenging the management’s proposals at meetings.
 - ii) NEDs shall notify the Chairman of the Board before accepting any new directorship during their tenure of service. Such notification should include an indication of time that will be spent on the new appointment as Director. In addition, the NEDs are to consider the restriction on the number of directorships for compliance with the requirements which are applicable to his/her in the capacity as a Director of the Company and/or its subsidiaries within the Group.
- d) NEDs 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.

5.6 ROLES AND RESPONSIBILITIES OF BOARD COMMITTEE

- a) To assist the Board of the Company in discharging its fiduciary duties and responsibilities, certain functions are delegated to the following board committees.
 - AC
 - NC
 - RC
 - BRMC
- b) These board committees operate under clearly defined terms of reference and/ or guided by policies established and are authorized by the Board of the Company to deal with and to deliberate on matters delegated to them within their terms of reference.
- c) The Chairperson of the respective board committees reports to the Board of the Company on the outcome of the board committee meetings and minutes of these meetings are made available to all members of the Board of the Company.

- d) Board committees will only speak or act for the Board when so authorised.

5.7 ROLES AND RESPONSIBILITIES OF COMPANY SECRETARIES

- a) The Company Secretaries of the Group are suitably qualified and competent with relevant professional qualification and/or membership Secretary (i.e.; who hold practising certificate issued under Companies Act 2016 and is member of professional body or a person licensed by Companies Commission of Malaysia).
- b) The Company Secretaries attend and ensure that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory register of the Company.
- c) In particular, the Company Secretaries are to:
 - i) Manage all Board and Committee meetings, attend and record minutes of all Board and Committee meetings and facilitate board communications;
 - ii) Advise the Board on its roles and responsibilities;
 - iii) Ensure that there is good information flow within the Board and between the Board, Board Committees and Key Senior Management;
 - iv) Facilitate the orientation of new Directors and assist in director training and development;
 - v) Advise the Board on corporate disclosures and compliance with company, securities regulations and listing requirements;
 - vi) Keep abreast with corporate governance development and assist the Board in applying corporate governance practices to meet the Board's needs and stakeholders' expectations;
 - vii) Manage processes pertaining to the shareholder meeting; and
 - viii) Serve as a focal point of stakeholders' communication and engagement on corporate governance issues.
- d) The appointment or removal of Company Secretaries of the Board shall be the prerogative of the Board.
- e) The appointed Company Secretaries should possess the relevant experiences, skills and knowledge in company and security laws, finance, governance, company secretaryship and other areas of compliance such as the listing requirements. The Company Secretary should also undertake continuous professional development.

6. BOARD ACTIVITIES AND PROCESSES

6.1 BOARD MEETINGS

- a) The Board of the Company and Audit Committee shall conduct meetings at least four (4) times annually scheduled in advance to facilitate planning. Additional meetings are convened as and when deemed necessary.

- b) Other Board Committees are to hold meetings in order to discharge the duties delegated to them according to their terms of reference, as and when deemed necessary by the Chairperson of the Board Committees, and at least once for a financial year.
- c) 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.
- d) The Chairman of the Board should set the Board meeting agenda and ensure adequate time is allocated for discussion of issues tabled to the Board for deliberation. Unless otherwise agreed, notice of each Board meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to Directors of the Company at least seven (7) days before the date of Board meeting. Reasonable time and sufficient information should be given to the Directors and other attendees as appropriate to prepare themselves, to consider all relevant papers and materials prior to the Board meeting.
- e) The Board of the Company exercise the authority over its meeting agenda through the Chairman of the Board, the Chairperson of the Board Committees (as applicable) or the Company Secretary. The Chairman of the Board or the Chairperson of the Board Committees should ensure that adequate time is allocated for discussion of issues tabled to the Board or the Board Committees (as applicable) for deliberation. Any Director may request the addition of an item to the agenda through the Chairman of the Board, the Chairperson of the Board Committees or the Company Secretary.
- f) The Chairman of the Board should ensure the Board Committee meetings are not combined with the main Board meeting.
- g) Board meetings should be chaired by the Chairman of the Board of the Company. In the absence of the Chairman and/or an appointed deputy in any meeting, the remaining members present shall elect one of themselves to chair the meeting in accordance with the provisions set out in the Constitution.
- h) The quorum for meetings shall be two (2) members in accordance with the Constitution of the Company. A duly convened meeting of a Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion vested in or exercisable by the Board of the Company.
- i) Directors of the Company are entitled to request additional information where they consider the information necessary to support informed decision-making. The Board of the Company may invite external parties such as the Key Senior Management, auditors, solicitors and external consultants to brief and assist the Directors of the Company in clearing their doubts or concerns as and when the need arises. External parties invited may attend part or all of the Board Meeting at the discretion of the Board.

- j) The Company Secretaries of the Company shall record minutes of the meetings for circulation to the Board members which will be confirmed and signed by the Chairman of the meeting as correct proceedings thereat in the next scheduled Board meeting unless otherwise determined.
- k) 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.
- l) 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.

6.2 DIRECTORS' TRAINING AND CONTINUING EDUCATION

- a) The Board of the Company recognises the importance of continuous education of its members in order for its members to discharge their responsibilities and duties effectively.
- b) In addition to the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Securities, the Directors of the Company are to update their knowledge and enhance their skills through attending training programmes relevant to their discharge of fiduciary duties and to participate actively in the Board deliberations.
- c) The Board of the Company shall, through NC, based on the result from board evaluation and performance, continuously assess and determine the training needs (including the knowledge and skill sets required to perform its oversight role in relation to sustainability management) of its individual members and recommend to the Board of the Company of the relevant training programme 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).
- d) All training attended by Directors of the Company shall be disclosed in the Annual Report. In special circumstances, valid justifications for non-attendance at any training by Directors of the Company for the financial year shall also be disclosed.

6.3 BOARD REMUNERATION

- a) The level and composition of remuneration shall be sufficient to attract and retain the Directors of the Company and its subsidiaries and Key Senior Management of the Group in running the Company successfully. The policy on the remuneration of the Directors of the Company and its subsidiaries and Key Senior Management of the Group is guided by a formal **Board and Key Senior Management Remuneration Policy** approved by the Board.

- b) The Board is assisted by the RC in assessing and recommending suitable remuneration for the Directors of the Company and its subsidiaries and Key Senior Management

6.4 BOARD EVALUATION AND PERFORMANCE

- a) The Board of the Company delegated the annual evaluation of the performance (including management of sustainability risks and opportunities) and effectiveness of the Board and its Board Committees, including Chairman of the Board and individual Directors to NC.
- b) NC is required to carry out the assessments, at least once per financial year, in accordance with the structured assessment process established by the Board of the Company and to report the assessment of the full Board, Board Committees, Chairman of the Board and individual Directors as well as consideration of the board balance to the Board for review and discussion aimed for further improvement. The Board of the Company is responsible for disclosing how the assessment was carried out, its outcome, action taken and how it has or will influence Board composition.
- c) The Board of the Company may engage independent experts to facilitate objective and candid board evaluations to determine the effectiveness of the Board and Board Committees of the Company, including Chairman of the Board and each individual Director.
- d) NC and the Board of the Company should evaluate whether the current composition and tenure of each director on the Board of the Company or its subsidiaries (as the case may be) meet the current and future requirements in terms of strategy, sustainability, operational and changes in the internal and external business context. Based on the results of the performance evaluations above and any evaluations at the subsidiary level (if applicable), NC and the Board of the Company should also consider the need to introduce new skills and perspectives to the boardroom of the Company and its subsidiaries to address identified requirements and needs.

7. FINANCIAL REPORTING

- a) 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 or 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 or 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 or financial year.
- b) The Board of the Company or its subsidiaries is to ensure that the financial statements 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 or the subsidiaries.

8. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

- a) The Directors of the Company and its subsidiaries shall have full access to all resources, information and records of the Company and its subsidiaries (as the case maybe), collectively or individually. The Board Papers and relevant information shall be given to the Directors of the Company and its subsidiaries by the Management on a timely basis and through communication medium that Board members are allowed so that sufficient time is granted to review such Board Papers and relevant information in order to discharge their responsibilities effectively. They shall have the rights to request additional information or clarification from the Management should the need arise. Members of the Board of the Company are regularly updated should there be any new statutory and regulatory requirements.
- b) The Directors of the Company and its subsidiaries acknowledge that confidential information received in the course of exercise of the Board duties remains the property of the Group. It will not be disclosed unless either the Chairman of the Board has so authorised in writing or disclosure is required by law.
- c) 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.
- d) Board members of the Company and its subsidiaries have unlimited access to the professional advice and services of the Company Secretary.

9. STAKEHOLDERS ENGAGEMENT

- a) The Board of the Company take responsibility for presenting a balanced, clear and meaningful report on the Group's financial positions and business prospects to its shareholders, investors and regulatory authorities via timely release of quarterly reports, annual reports and regular announcements on material business matters.
- b) The corporate website of the Company provides all relevant information on the Company and is accessible by the public. The Investor Relations section enhances the Investor Relations function by including all announcements made by the Company, annual reports as well as the corporate and governance structure of the Company.
- c) In ensuring equal and fair access to information, the announcement of the quarterly financial results is also made via Bursa LINK immediately after the approval by the appropriate authority level based on the formal **Corporate Disclosure Policy** approved by the Board of the Company.
- d) The Annual Report is another main channel of communication between the Company and its stakeholders. The Annual Report communicates comprehensive information on the financial results and activities undertaken by the Group. As a listed issuer, the contents and disclosure requirements of the annual report are also governed by the MMLR.

10. GENERAL MEETING AND ATTENDANCE

- a) Another key avenue of communication with its shareholders is the Company's General Meeting, which provides a useful forum for shareholders to engage directly with the Company's Directors.
- b) All Directors, including the Chairperson of AC, NC, RC and BRMC are required to attend general meetings unless they have valid reasons for absence that are accepted by the Board, to ensure effective communication between the Board and the shareholders. During the general meeting, shareholders are at liberty to raise questions or seek clarification on the agenda items of the general meeting from the Company's Directors.
- c) Notice for an Annual General Meeting ("AGM") should be given to the shareholders at least twenty-eight (28) days prior to the meeting to enable the shareholders to make informed voting decisions.
- d) In facilitating greater shareholder participation during general meetings, the Company is to leverage technology to facilitate electronic voting and remote shareholder participation via virtual general meeting platform at general meetings. The Board of the Company must also ensure that the conduct of a virtual general meeting (fully virtual or hybrid) supports meaningful engagement between the Board, Key Senior Management and shareholders.
- e) 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 before, during and after the general meeting.
- f) 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 include robust discussion on among others the Company's financial and non-financial performance as well as the Company's long-term strategies.
- g) The Board of the Company, particularly the Chairman of the Board, 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 meetings and all such questions should receive a meaningful response.
- h) Key matters discussed during AGM shall be published on the corporate website of the Company within thirty (30) days from the date of the AGM concluded.
- i) Minutes of the general meetings of the Company should be circulated to shareholders or published on the corporate website of the Company no later than thirty (30) business days after the general meeting.

11. CODE OF CONDUCT

- a) The Board of the Company and its subsidiaries, in discharging its role, is guided by the group-wide Code of Conduct ("the Code"). The Code requires every Director, Key Senior Management and employees of the Company and its subsidiaries to observe high ethical

business standards, honesty and integrity. Directors of the Company and its subsidiaries 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.

- b) When a Director 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.
- c) In the performance of his/her roles and responsibilities as Director of the Company or its subsidiaries, the Director should at all times observe the following standards of conduct:-
 - i) A Director must have a clear understanding of the aims and objectives, capabilities and capacity of the Company and/or its subsidiaries;
 - ii) A Director should maintain a sound understanding of the business of the Company and/or its subsidiaries, and keep abreast of relevant developments to ensure he/she is able to discharge his/her duties and responsibilities effectively;
 - iii) A Director must act honestly, in good faith and in the best interests of the Company and/or its subsidiaries as a whole;
 - iv) A Director must use his/her powers for a proper purpose, in good faith and in the best interests of the Company and/or its subsidiaries;
 - v) A Director must use reasonable care, skill and diligence in discharging his/her duties;
 - vi) A Director should devote adequate time to the Company's and/or its subsidiaries' activities. In particular, Director of the Company is to use his/her best endeavours to attend Board meetings of the Company where each director shall commit the time to attend at least fifty percent (50%) of all Board Meetings and Board Committee Meetings where he is part of the Board Committees in any applicable financial year with appropriate leave of absence notified to the respective Chairman of the Board or board committees;
 - vii) A Director must recognize that his primary responsibility is to the Company's and/or its subsidiaries' shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders of the Company and/or its subsidiaries;
 - viii) A Director is expected to strictly observe confidentiality of the Company and its subsidiaries' information and must not make improper use of the information acquired as a Director;
 - ix) A Director must not take improper advantage of his/her position as Director;
 - x) A Director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company and/or its subsidiaries;
 - xi) A Director has the 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;
 - xii) A Director must ensure his/her decisions and the basis for those decisions, including any dissenting views are made known and properly minute;
 - xiii) Subject to Section 12 below, a Director should avoid all actual, potential or perceived conflict of interest (including person connected to him/her) whether directly or indirectly with the Company and if present, disclose such conflict of interest immediately to the Chairman of the Company;
 - xiv) A Director should not engage in conduct that will likely bring discredit upon the Company and/or its subsidiaries;

- xv) 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.
 - xvi) A Director is to ensure key transactions or critical decisions are deliberated and decided on by the Board and Board Committee (as applicable) in a meeting; and
 - xvii) 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 or its subsidiaries' Constitution or the Group's Code of Conduct and it is not contrary to any written laws and regulations.
- d) The Company and its subsidiaries and its Board must ensure the maintenance of proper accounting records and other records (with a retention period of not less than seven (7) years from the completion of the transactions or operations to which the entries or records relate) to:-
- i) sufficiently explain the business, transactions and financial position of the Company, its subsidiaries and the Group as a whole;
 - ii) enable the preparation of true and fair financial statements; and
 - iii) enable the accounting and other records of the Company, its subsidiaries and the Group to be conveniently and properly audited.
- e) Where the financial statements of the 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 records necessary to enable the preparation of the consolidated financial statements in accordance with the approved accounting standards.

12. CONFLICT OF INTEREST

- a) All Directors of the Company and its subsidiaries and Key Senior Management of the Group (including person connected to him/her) must avoid situations where personal interest conflicts or gives the appearance of conflict with their professional obligations or duties and must not use their positions, authorities, the Group's resources and assets or information available to them for personal gain, for the benefit of the person connected to them or to the disadvantage of the Group.
- b) All Directors of the Company and its subsidiaries and Key Senior Management of the Group (including person connected to him/her) must not enter into any relationship or transactions with the Company or its subsidiaries or any person, whether contractual or otherwise and whether under his/her name or otherwise, which result in actual, potential or perceived conflict of interest unless it is permissible under all relevant laws and regulations with such interested transaction or contract is approved by appropriate level of management and the Board of the Company and/or its subsidiaries.
- c) The Board of the Company has put in place **Conflict of Interest and Related Party Transaction Policy** to manage situations involving conflict of interest (including potential conflict of interest situations) when they arise.

- d) Director of the Company or its subsidiary (to the extent applicable) or Key Senior Management of the Group (to the extent applicable) shall abstain himself/herself from review, discussion, deliberation and decision during any meeting on the matter or transaction if he/she (including person connected to him/her) is a party to the interested matter or transaction.

13. GROUP GOVERNANCE

- a) The Board of the Company is to ensure there are adequate and effective group-wide corporate governance policies, practices and procedures established and implemented by the Company and its subsidiaries so that it is able to discharge its responsibilities, including but not limited to, oversight of Group's financial and non-financial performance, business strategy and priorities, code of ethics and conduct, gender diversity, risk management, sustainability management, anti-corruption, whistleblowing, managing conflict of interest.
- b) The 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 on group-wide basis.

14. REVIEW OF THE BOARD CHARTER

This Charter will be reviewed by the Board of the Company as and when required and updated in accordance with the needs of the Group and any new or changes in regulations that may have an impact on the discharge of the Board's responsibilities, and in any event, at least once every three (3) years.