

1. INTRODUCTION

The primary objective of the Company's Board Charter is to set out the roles and responsibilities of the Board of Directors ("Board").

The Board, whilst supportive of Management, must:-

- approve and proactively participate in strategic decisions.
- challenge management with questions based on informed knowledge;
- oversee management's plans, decisions, and actions;
- monitor management's ethical conduct, financial reporting and regulatory compliance;
- play a critical role in ensuring sound and prudent policies and practices of the Company;
- be capable of effectively achieving good governance and protecting the interests of shareholders; and
- proactively support and have continuous oversight over risk management, internal controls and compliance matters involving the Company.

The Board will regularly review this charter and the terms of reference of Board Committees to ensure they remain consistent with the Board's objectives and responsibilities, and relevant laws, regulations, guidelines and standards of corporate governance.

2. BOARD SIZE AND COMPOSITION

- a. The Board should comprise of individuals with character, experience, integrity, competence and time to effectively discharge their role as company director. The composition and size of the Board is such that it facilitates the making of informed and critical decisions.
- b. The number of directors shall not be less than two (2) and not more than nine (9). The appointment of directors shall be recommended by the Nomination Committee and approved by the Board.
- c. At any one time, at least two or one-third (1/3), whichever is higher, of the Board members are independent directors.
- d. The Board may appoint a senior independent director to whom shareholders' concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or the managing director have failed to resolve them.

The Board shall appoint the senior independent director as the chairman of the Nomination Committee, unless a better candidate is available.

- e. The positions of chairman of the Board and managing director should be held by different individuals, and the Chairman must be a non-executive member of the Board. The Board must comprise a majority of independent directors where the Chairman of the Board is not an independent director.

- f. The Board shall endeavour to achieve 30% female directors by 2018, subject to review from time to time by the Directors. The Board through its Nomination Committee should take steps to ensure that women candidates are sought as part of the recruitment exercise.

3. POSITION DESCRIPTION

3.1 CHAIRMAN

The Chairman leads the Board and is responsible for the effective performance of the Board.

- a. The Chairman is responsible for:
 - i. leading the Board in setting the values and standards of the Company;
 - ii. maintaining a relationship of trust with and between the executive and non-executive directors;
 - iii. ensuring the provision of accurate, timely and clear information to directors;
 - iv. ensuring effective communication with shareholders and relevant stakeholders;
 - v. arranging evaluation of the performance of the Board, its Committees and individual Directors;
 - vi. facilitating the effective contribution of non-executive directors and ensuring constructive relations be maintained between executive and non-executive directors;
 - vii. facilitating the on-going development of all directors.
- b. The Chairman ensures orderly conduct and proceedings of the Board and general meetings and is responsible for managing the business of the Board to ensure that:
 - i. all directors are properly briefed on issues arising at Board meetings;
 - ii. sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for the Board discussion;
 - iii. the issues discussed are forward looking and concentrates on strategy; and
 - iv. should the Chairman be absent from a meeting, the members of the Board present at the meeting, may choose one of their number to chair the said meeting.

3.2 MANAGING DIRECTOR

The Managing Director is primarily accountable for overseeing the day-to-day operations to ensure the smooth and effective running of the Group.

- b. The Managing Director should:
 - i. be person of high professional calibre, and unquestionable integrity;

- ii. familiar with the Company's performance, the adequacy of internal controls, risk management and compliance with legal requirements as well as current matters and policies affecting the industry in general;
 - iii. devote full attention and time to their duties and responsibilities and be able to direct and supervise the Company effectively and responsibly; and
 - iv. at all times exercise professional skill, due care and diligence when performing his functions, exercising their powers or discharging his duties.
- c. The key role of a Managing Director, amongst others, include:
- i. developing and implementing the strategies for the Group and setting the overall strategic policy and direction of the Group's business operations based on effective risk management controls;
 - ii. ensuring that the financial management practice is performed at the highest level of integrity and transparency and that the business and affairs of the Group are carried out in an ethical manner and in compliance with the relevant laws and regulations;
 - iii. providing effective leadership to the Group and is responsible for ensuring high management competency and that an effective management succession plan is in place to sustain continuity of operations;
 - iv. implementing the policies, strategies and decisions adopted by the Board. All Board authorities conferred on the Management is delegated through the managing director and this will be considered as the managing director's authority and accountability as far as the Board is concerned;
 - v. keeping Board fully informed of all important aspects of the Company's operations and ensuring sufficient information is distributed to Board members; and
 - vi. ensuring day-to-day business affairs of the Company are effectively managed.

3.3 INDEPENDENT DIRECTOR

An independent director should declare to the Company annually that he complies with the criteria as stated below.

- 1) He is independent of management and free from any business or other relationship, which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company and-

- a. is not an executive director of the Company or any related corporation of the Company;
- b. has not been within the last 2 years and is not an officer (except as a non-executive director) of the Company;
- c. is not a major shareholder of the Company;
- d. is not a family member of any executive director, officer or major shareholder of the Company;
- e. is not acting as a nominee or representative of any executive director or major shareholder of the Company;
- f. has not been engaged as an adviser by the Company under such circumstances as prescribed by the Exchange or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the Company under such circumstances as prescribed by the Exchange; or
- g. has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the applicant or the listed corporation) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange.

2) An independent director should:

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

4. BOARD APPOINTMENT

4.1 Nomination

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

Upon the appointment of a new Director, the new board member shall be briefed on the terms of their appointment, their duties and obligations and on the operations of the Group.

Directors shall notify the Chairman of the Board before accepting any new directorship, and the notification shall include the indication of time that will be spent on the new appointment.

The directorships held by any Board member at any one time shall not exceed five (5) in listed companies.

4.2 Re-election

All Directors are subject to retirement by rotation at least once in every three years and is eligible for re-election.

New Board members will only hold office until the next annual general meeting, and will then be eligible for re-election.

4.3 Retention/ Re-designation of an independent director with cumulative term of more than nine (9) years

The tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director. The Board, upon recommendation of the Nomination Committee, shall justify and seek shareholders' approval in the event that it desires to retain a person who has served in that capacity for more than nine years as an independent director.

Further, the long serving director is required to declare to the Company annually that he complies the criteria as stated in item 3.3 above.

5. BOARD RESPONSIBILITIES

The Board should assume, amongst others, the following responsibilities:

- a. Reviewing the code of conduct of the Company and implementing appropriate internal systems to support, promote and ensure its compliance;
- b. Reviewing and adopting a strategic plan for the Company;
- c. regularly evaluating economic, environmental, social and governance issues and any other relevant external matters that may influence or affect the development of the business or the interests of the shareholders in ensuring that the Company's strategies promote sustainability;
- d. Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- e. Reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance. This includes establishing sound risk management framework, reviewing procedures to identify the main risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- f. selecting, appointing and evaluating from time to time the performance of, and planning succession of the Managing Director under the guidance of the

Nominating Committee;

- g. reviewing the procedures for appointment of senior management and ensuring that succession planning of the senior management is in place;
- h. establishing an internal audit function which reports directly to the Audit Committee;
- i. promoting effective communication and proactive engagements within shareholders and other stakeholders;
- j. ensuring there is a sound framework of reporting on internal controls and regulatory compliance;
- k. ensuring its members have access to information, advice and appropriate continuing education programmes;
- l. reviewing and approving formal and transparent remuneration policies and procedures to attract and retain directors;
- m. ensuring there is appropriate corporate disclosure policies procedures;
- n. encouraging the usage of information technology in communicating with stakeholders;
- o. taking reasonable steps in encouraging the shareholders' participation and voting by poll at general meetings of the Company;
- p. promoting effective communication and proactive engagements with shareholders; and
- q. undertaking an assessment of the independent directors annually.

6. BOARD/MANAGEMENT AUTHORITIES

The Board shall have the authority to approve transactions or activities which are beyond the individual discretionary powers of senior officers or management committees delegated by the Board as per the Approving Authority limits stipulated in the relevant policy manuals of respective operating units subject to the provision of the Articles of Association of the Company.

7. BOARD COMMITTEES

- a. The Board should establish and delegate certain duties to specialised Board Committees to oversee critical or major functional areas and to address matters, which require detailed review or in-depth consideration before tabling its recommendation to the Board.
- b. The Board has established the following Board Committees which operate within

their specific terms of reference:-

i. Nomination Committee

To provide a formal and transparent procedures for the appointment of directors as well as annual assessment of effectiveness of individual directors, Board Committees and Board as a whole and key senior management officers.

ii. Remuneration Committee

To provide a formal and transparent procedure for developing remuneration policy for directors and key senior management officers, and ensuring that compensation is competitive and consistent with the Company's culture, objectives and strategy.

iii. Audit Committee

To provide independent oversight of the Company's financial reporting and internal control system and ensure checks and balances within the Company, and to ensure financial statements comply with applicable financial reporting standards.

To review and assess the suitability and independence of external auditors.

Duties and functions of the above-mentioned committees are provided in their respective terms of reference.

8. BOARD PROCEDURES

- a. The conduct of directors will be consistent with their duties and responsibilities to the Company and, indirectly, to the shareholders. The Board will always act within any limitations imposed by the provisions of relevant laws and guidelines on its activities;
- b. Directors will use their best endeavours to attend Board meetings. Directors are expected to participate fully, and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board;
- c. Directors who are not able to attend a meeting will advise the Chairman at an earlier date as possible and confirm in writing to the Secretary;
- d. Board discussions will be open and constructive, recognising that genuinely held differences of opinion could bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus of the Board but may, where considered necessary, call for a vote;

- e. All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law. Subject to legal and regulatory requirements the Board will decide the manner and timing of the publication of its decisions;
- f. Directors are expected to strictly observe confidentiality of the Company's information; and
- g. Directors are required to inform the Board of conflicts or potential conflict of interest that may have in relation to particular items of business or transaction. Subject to provisions of relevant laws and guidelines, these Directors shall abstain from deliberation and determination of those matters.

9. AUTHORITY

The Board shall within its terms of reference:

- a. have complete, adequate and timely information prior to Board meetings and on an ongoing basis;
- b. have the resources required to perform its duties;
- c. have full and unrestricted access to any information pertaining to the Company;
- d. have the authority to form management / sub-committee(s) if deemed necessary and fit;
- e. have the authority to delegate any of its responsibilities to any person or committee(s) that is deemed fit;
- f. have direct communication channels with employees, senior management personnel and relevant external parties; and
- g. be able to obtain independent professional or other advice.

10. MEETINGS & MINUTES

Subject to relevant laws and guidelines, the following should be observed by the Board:-

- a. the Board shall meet on a quarterly basis, but in any event, no less than once in every three (3) months, or whenever deemed necessary;
- b. individual directors must attend at least 50% of the Board meetings held in each financial year or such other percentage as may be prescribed by the Listing Requirements;

- c. the quorum of the meetings shall be met pursuant to the Articles of Association of the Company;
- d. the Board is also allowed to carry out the resolution by way of circulation;
- e. the participation of the director can be facilitated by means of video or telephone conferencing;
- f. Head of the respective division units and relevant management personnel may be invited to attend the Board meetings;
- g. The Company Secretary shall be appointed as Secretary of the Board Meeting and minutes of meetings shall be taken and documented; and
- h. A full agenda and comprehensive Board papers shall be circulated to all Directors in advance of each Board meeting.

11. REMUNERATION OF DIRECTORS

- a. The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal.
- b. The level of remuneration for the executive directors is determined by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar industry.
- c. Non-executive directors are entitled to participate in the Company's Employee Share Options Scheme (ESOS) subject to approval at a general meeting. Non-executive directors who participated in the ESOS are prohibited to sell, transfer or assign the shares within one (1) year from the date of offer of such options.
- d. No director other than executive directors shall have a service contract with the Company.
- e. A formal independent review of the directors' remuneration is undertaken no less frequently than once every three (3) years.

12. DIVERSITY POLICY

The Board acknowledges the importance of boardroom diversity and the recommendation of the Malaysian Code on Corporate Governance 2012 pertaining to the establishment of a gender diversity policy.

The Board shall endeavour to achieve 30% female directors by 2018, subject to review from time to time by the Directors. The Board through its Nomination Committee should take steps to ensure that women candidates are sought as part of the recruitment exercise.

The Company adopts a policy of non-discrimination on the basis of race, age, religion and gender. Thus, the Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company.

13. BENEFICIAL INFLUENCE ON COMMUNITY

The Board has a continuing responsibility to the community to ensure that the Company's activities are conducive towards promoting the economic well-being of its community and are in line with government's economic objectives.

14. CODE OF ETHICS FOR COMPANY DIRECTORS

A. Principle

The principle of this code is based on principles in relation to sincerity, integrity, responsibility and corporate social responsibility.

B. Purpose

This Code of Ethics is formulated to enhance the standard of corporate governance and corporate behaviour with the intention of achieving the following aims:

1. To establish a standard of ethical behaviour for directors based on trustworthiness and values that can be accepted, are held or upheld by any one person.
2. To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administering a company.

C. Definition

In the context of this code, a company director means any person who holds the position of director in a corporation irrespective of any designation used, including anyone who follows the directives and advice of a corporate director and who usually takes action, as well as an in-turn or substitute director. A director also includes both executive and non-executive directors as well as executive and non-executive chairpersons.

D. Code of Ethics

In the performance of his duties, a director should at all times observe the following codes:

1. Corporate Governance

- 1.1. Should have a clear understanding of the aims and purpose, capabilities and capacity of the company;
- 1.2. Should devote time and effort to attend meetings and to know what is required of the board and each of its directors, and to discharge those functions;
- 1.3. Should ensure at all times that the company is properly managed and effectively controlled;
- 1.4. Should stay abreast of the affairs of the company and be kept informed of the company's compliance with the relevant legislation and contractual requirements;
- 1.5. Should insist on being kept informed on all matters of importance to the company in order to be effective in corporate management;
- 1.6. Should limit his directorship of companies to a number in which he can best devote his time and effectiveness; each director is his own judge of his abilities and how best to manage his time effectively in the company in which he holds directorship;
- 1.7. Should have access to the advice and services of the company secretary, who is responsible to the board to ensure proper procedures, rules and regulations are complied with;
- 1.8. Should at all times exercise his powers for the purposes they were conferred, for the benefit and prosperity of the company;
- 1.9. Should disclose immediately all contractual interests whether directly or indirectly with the company;
- 1.10. Should neither divert to his own advantage any business opportunity that the company is pursuing, nor may he use confidential information obtained by reason of his office for his own advantage or that of others;
- 1.11. Should at all times act with utmost good faith towards the company in any transaction and to act honestly and responsibly in the exercise of his powers in discharging his duties; and
- 1.12. Should be willing to exercise independent judgment and, if necessary, openly oppose if the vital interest of the company is at stake.
- 1.13. Relationship with Shareholders, Employees, Creditors and Customers:
 - 1.13.1. Should be conscious of the interest of shareholders, employees, creditors and customers of the company;

1.13.2. Should at all times promote professionalism and improve the competency of management and employees; and

1.13.3 Should ensure adequate safety measures and provide proper protection to workers and employees at the workplace.

1.14. Social Responsibilities and the Environment

1.14.1. Should ensure that necessary steps are taken in accordance with the law to properly wind-up or strike off the company register if the company has not commenced business or has ceased to carry on business and is not likely to commence business in the future or resume business as the case may be;

1.14.2. Should adopt an objective and positive attitude and give the utmost cooperation for the common good when dealing with government authorities or regulatory bodies;

1.14.3. Should ensure the effective use of natural resources, and improve quality of life by promoting corporate social responsibilities;

1.14.4. Should be more proactive to the needs of the community and to assist in society-related programmes in line with the aspirations of the concept of 'Caring Society' in Vision 2020; and

1.14.5. Should ensure that the activities and the operations of the company do not harm the interest and well-being of society at large and assist in the fight against inflation.